

**MINISTRY OF INDUSTRY AND TRADE
HANOI UNIVERSITY OF INDUSTRY**

TRAN THI HANG

**RESEARCH ON THE VALUE RELEVANCE OF ACCOUNTING INFORMATION
IN FINANCIAL STATEMENTS OF NON-FINANCIAL LISTED ENTERPRISES
ON THE VIETNAM STOCK EXCHANGE**

Major: Accounting

Code: 9340301

SUMMARY OF DESERTATION IN ACCOUNTING

Hanoi, 2026

This desertation has been completed at:

HANOI UNIVERSITY OF INDUSRY

Scientific supervisors:

1. Assoc. Prof. Dr. Nguyen Thi Xuan Hong
2. Assoc. Prof. Dr. Tran Manh Dung

Reviewer 1:

Reviewer 2:

Reviewer 3:

The desertation was defended at the Doctoral Evaluating Council at University level, held at Hanoi University of Industry at 2 pm, on June 25, 2026.

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CHAPTER 1

INTRODUCTION TO THE RESEARCH PROBLEM

1.1. RESEARCH RATIONALE

Accounting information presented in financial statements is an important source of information for investors and other capital market participants in their decision-making processes. According to the IASB Conceptual Framework (2018), relevance is one of the two fundamental qualitative characteristics of accounting information, reflecting its capacity to influence economic decisions. Therefore, assessing the relevance of accounting information not only indicates its decision-usefulness but also reflects the extent to which the market incorporates and utilizes disclosed information.

In recent years, changes in the economic environment, digital transformation, the increasing importance of intangible assets, the impact of the COVID-19 pandemic, and reforms in accounting standards and regulations have altered the mechanism through which information is reflected in stock prices. In addition, empirical studies in both domestic and international contexts remain inconsistent regarding measurement approaches and determinants of accounting information relevance, particularly in emerging markets.

In Vietnam, alongside the IFRS adoption roadmap, ongoing improvements in the legal and regulatory accounting framework, and efforts to enhance stock market transparency, assessing accounting information relevance and identifying its determinants has become increasingly important. Although several related studies have been conducted, empirical evidence remains fragmented, with limitations in data scope and methodological approaches, and has not fully examined influencing factors in the context of listed non-financial firms.

Based on these theoretical and practical considerations, the study titled **“Research on the value relevance of accounting information in financial statements of non-financial listed enterprises on the Vietnam stock exchange”** is conducted to provide additional empirical evidence and contribute a scientific basis for improving accounting information quality and enhancing the efficiency of the Vietnamese stock market.

1.2. RESEARCH OBJECTIVES

First, to assess the relevance of accounting information in the financial statements of non-financial listed firms on the Vietnam stock market, and to examine differences in accounting information relevance across industries, time periods, and stages of the economic cycle.

Second, to evaluate the magnitude and direction of the effects of factors influencing the relevance of accounting information in the financial statements of non-financial listed firms on the Vietnam stock market.

Third, to propose recommendations to enhance the relevance of accounting information in financial statements, thereby contributing to the improvement of accounting and disclosure policies, as well as enhancing transparency and the efficiency of the Vietnam stock market.

1.3. RESEARCH QUESTIONS

Question 1: How is the relevance of accounting information in the financial statements of non-financial listed firms on the Vietnam stock market manifested, and does it differ across industries, over time, and across different economic periods?

Question 2: What factors influence the relevance of accounting information in the financial statements of non-financial listed firms on the Vietnam stock market, and what are the magnitude and direction of their effects?

1.4. RESEARCH OBJECTS AND SCOPE

Research Objects:

The research object of this thesis is the relevance of accounting information in financial statements and the factors affecting the relevance of accounting information in the context of the stock market.

Research Scope:

In terms of content, the thesis focuses on two main aspects:

- Assessing the relevance of accounting information in financial statements through the extent to which accounting information is reflected in stock prices.
- Examining the impact of factors affecting the relevance of accounting information, including firms' economic–financial characteristics, ownership structure, board characteristics, audit characteristics, and stock trading characteristics. In

addition, the thesis considers differences in accounting information relevance across industries, over time, and across economic periods (before, during, and after the COVID-19 pandemic)..

In terms of spatial scope, the study covers non-financial firms listed on HOSE and HNX.

In terms of temporal scope, the dataset covers the period 2014–2024, including the pre-, during-, and post-COVID-19 periods.

1.5. RESEARCH PROCESS

Step 1: Literature review and theoretical foundations

Step 2: Identification of research gaps, objectives, and research questions

Step 3: Development of the research model and hypotheses

Step 4: Data collection and processing

Step 5: Model estimation and hypothesis testing

Step 6: Discussion of findings and policy recommendations

1.6. CONTRIBUTIONS OF THE DISSERTATION

The dissertation makes key contributions in terms of theory, research methodology, and practical implications.

1.7. STRUCTURE OF THE DISSERTATION

The dissertation is structured into five chapters as follows:

Chapter 1: Introduction to the research problem

Chapter 2: Theoretical framework and literature review

Chapter 3: Research model and methodology

Chapter 4: Empirical results and discussion

Chapter 5: Conclusions and recommendations

CHAPTER 2

THEORETICAL FRAMEWORK AND LITERATURE REVIEW

2.1. FINANCIAL STATEMENTS AND THE ROLE OF ACCOUNTING INFORMATION IN FINANCIAL STATEMENTS

2.1.1. Concept and nature of financial statements

Financial statements are the output of the accounting system, providing information on a firm's financial position, financial performance, and cash flows to support decision-making by users, particularly investors.

In essence, financial statements serve as a channel of information transmission from firms to capital markets. Accounting figures are derived from measurement and judgment processes and reflect both the current financial condition and future prospects of the firm, thereby forming an important basis for equity valuation in stock markets.

2.1.2. Accounting information in financial statements and its role in capital markets

Accounting information in financial statements results from the recognition, measurement, and presentation of a firm's economic transactions in accordance with accounting principles and standards. In capital markets, accounting information is an official source used to assess financial performance, evaluate firm value, and support investor decision-making. Within the scope of this dissertation, accounting information is narrowly defined as information formally disclosed in financial statements.

2.1.3. Financial statements in positive accounting and finance research

In positive accounting and finance research, financial statements are considered a central data source for developing and testing empirical models that examine the relationship between accounting information and firm market value. Accounting variables, particularly earnings and book value, are widely used in valuation models to assess the extent to which accounting information is reflected in stock prices and to examine its role in capital markets.

2.2. RELEVANCE OF ACCOUNTING INFORMATION FROM THE IASB CONCEPTUAL FRAMEWORK TO THE EMPIRICAL APPROACH

2.2.1. The qualitative characteristics of accounting information under the IASB Framework

According to the IASB Conceptual Framework (2018), the quality of accounting information is assessed based on its usefulness for decision-making. The qualitative characteristics comprise two groups: fundamental qualitative characteristics (relevance and faithful representation) and enhancing qualitative characteristics (comparability, verifiability, timeliness, and understandability). Among these, the fundamental characteristics determine the usefulness of information, while the enhancing characteristics improve its usability.

2.2.2. Nature and role of accounting information relevance

Under the IASB Conceptual Framework (2018), relevance is one of the two fundamental qualitative characteristics of accounting information. It reflects the capacity of information to influence users' economic decisions through its predictive value and confirmatory value. Relevance highlights the role of accounting information in supporting assessments of firm prospects, resource allocation, and decision-making in capital markets.

2.2.3. The empirical approach to accounting information relevance

In positive accounting and finance research, the relevance of accounting information is operationalized through the relationship between accounting numbers and market variables, primarily stock prices and returns. Under this approach, if accounting information is incorporated into investors' valuation processes, it is considered value relevant. Therefore, empirical studies typically employ econometric models to measure the extent to which accounting information is reflected in stock prices or returns, thereby assessing its decision usefulness and the informational efficiency of capital markets.

2.3. METHODS FOR MEASURING AND EVALUATING THE RELEVANCE OF ACCOUNTING INFORMATION IN FINANCIAL STATEMENTS

2.3.1. Qualitative measurement and evaluation methods

The qualitative approach assesses the relevance of accounting information based on users' perceptions of its predictive and confirmatory value, typically through questionnaire surveys using standardized scales. This approach is suitable in contexts with limited data availability and allows the usefulness of information to be quantified based on subjective assessments.

However, due to its reliance on individual perceptions, the qualitative method may be subject to bias and does not directly capture the quantitative impact of accounting information on the market. Therefore, it is mainly used to assess user perceptions and is often combined with quantitative methods to enhance the comprehensiveness of research.

2.3.2. Quantitative measurement and evaluation methods

The quantitative approach assesses the relevance of accounting information by examining the extent to which accounting variables explain variations in stock prices or returns, thereby reflecting investors' actual market reactions. Commonly used variables include EPS, BVPS, and CFOPS, representing operating performance, net asset value, and cash-generating ability. Some studies further extend the model by incorporating non-financial indicators and intangible value measures.

The main measurement framework is the Ohlson price model and its extensions, in which R^2 (or adjusted R^2) is used as a proxy for value relevance. In addition, return-based models are employed in short-term studies. The quantitative approach allows for an objective assessment of the relationship between accounting information and market outcomes; however, the results may be influenced by non-accounting factors, particularly in emerging markets. Therefore, it is most appropriate when sufficient data are available and is often combined with qualitative methods to provide a more comprehensive assessment of accounting information relevance.

2.4. THEORETICAL FOUNDATIONS

2.4.1. Theoretical foundations for defining the nature and measurement of the relevance of accounting information in financial statements

2.4.1.1. Efficient Market Hypothesis

The Efficient Market Hypothesis (EMH) posits that stock prices fully and promptly reflect all publicly available information, including accounting information disclosed in financial statements. In this study, the theory is used as a foundation to explain the mechanism through which accounting information is incorporated into stock prices and to underpin the approach of assessing accounting information relevance based on the extent to which it is reflected in market prices.

2.4.1.2. Value relevance theory of accounting information

The value relevance theory of accounting information argues that accounting information has value only when it is incorporated into investors' decision-making and reflected in stock prices. Based on this perspective, the study applies the theory to measure accounting information relevance through the explanatory power of accounting variables on stock prices (adjusted R² from valuation models), which also serves as a basis for analyzing influencing factors.

2.4.2. Theoretical foundations explaining the determinants of the relevance of accounting information in financial statements

2.4.2.1. Information asymmetry theory

Information asymmetry theory argues that differences in information between firms and investors affect the efficiency of asset pricing in capital markets. In this context, accounting and auditing information play a role in reducing information asymmetry, thereby enhancing the extent to which information is reflected in stock prices. Based on this theory, the dissertation explains the effects of three groups of factors on accounting information relevance, including firms' economic and financial characteristics, audit characteristics, and stock trading characteristics.

2.4.2.2. Agency theory

Agency theory explains conflicts of interest between shareholders and managers and emphasizes the role of accounting information and corporate governance mechanisms in reducing agency costs. Based on this theory, the dissertation argues that ownership structure and board characteristics influence the transparency and reliability of accounting information, thereby affecting the extent to which accounting information is reflected in stock prices and its overall value relevance.

2.5. LITERATURE REVIEW

2.5.1. Studies on the relevance of accounting information in financial statements

2.5.1.1. Studies based on accounting indicators

Research on the relevance of AI based on accounting indicators originates from Ball & Brown (1968) and Beaver (1968), who confirmed that accounting earnings contain information and are reflected in stock prices. Building on this foundation, three commonly used indicators are EPS, BVPS, and CFOPS.

- EPS is the central indicator in valuation and has a positive relationship with stock prices in both developed and emerging markets. However, its relevance is not stable over time and depends on the level of market development as well as the increasing role of non-accounting information.

- BVPS plays a complementary role and, in many contexts—particularly in emerging markets or when earnings are volatile—exhibits stable and sometimes even superior relevance compared to EPS.

- CFOPS reflects actual cash flows, helping to mitigate the effects of accounting accruals and serving as a complement to EPS and BVPS. However, its level of relevance varies across markets.

Overall, empirical evidence indicates that EPS, BVPS, and CFOPS all contribute to stock valuation, but the extent to which each indicator is reflected depends on market conditions and the quality of the information environment.

2.5.1.2. Studies by industry, time, and economic periods

Research shows that the value relevance of accounting information is not homogeneous but varies across industries, time, and economic contexts. By industry, EPS is more relevant in stable sectors, while BVPS and CFOPS play a more dominant role in asset-intensive, cash-flow-dependent, or high-innovation industries. Over time, the relevance of accounting indicators is dynamic: the importance of EPS tends to decline, whereas BVPS and cash flows maintain or increase their significance, particularly during periods of economic uncertainty. These findings highlight that the assessment of accounting information should be context-specific rather than uniformly applied across the entire market.

2.5.2. Studies on determinants of the relevance of accounting information in financial statements

2.5.2.1. Basis for selecting and classifying influencing factors

The dissertation adopts a two-step approach, in which the value relevance of accounting information is first measured using a stock valuation model, and the resulting measure is then used to analyze its determinants. Based on information asymmetry theory, agency theory, and the specific characteristics of the Vietnamese stock market, the determinants are classified into five groups: (i) firms' economic and financial characteristics; (ii) ownership structure; (iii) board of directors

characteristics; (iv) audit characteristics; and (v) stock trading characteristics. This classification ensures a solid theoretical foundation, contextual relevance, and empirical testability.

2.5.2.2. Economic and financial characteristics

Firms' economic and financial characteristics (size, financial leverage, growth, and profitability) are important signals that help reduce information asymmetry and influence the extent to which accounting information is reflected in stock prices. Firm size and profitability generally have a positive effect, enabling accounting information to be used by the market in a more stable and comprehensive manner. Financial leverage has a dual effect: it may reduce value relevance due to higher risk, but it can also enhance the informational role of accounting information when monitoring and control mechanisms are strong. In contrast, high growth rates often reduce value relevance due to earnings volatility and less stable information quality. Overall, the effects of these characteristics are contingent, depending on market conditions, industry characteristics, and the institutional environment.

2.5.2.3. Ownership structure

Ownership structure significantly affects the quality and value relevance of accounting information through monitoring mechanisms and governance incentives. State ownership is often associated with objectives beyond shareholder value maximization and tends to weaken the informational role of accounting information, particularly in weak institutional and supervisory environments; however, this effect is conditional and may be mitigated when corporate governance mechanisms are effective. In contrast, foreign ownership generally has a positive impact on accounting information relevance by enhancing monitoring, improving transparency, and strengthening governance quality, although the magnitude of this effect depends on the legal environment and the actual level of ownership.

2.5.2.4. Board of directors characteristics

Board characteristics directly influence monitoring effectiveness and the value relevance of accounting information. An appropriately sized board helps balance oversight and coordination, reduces earnings management, and improves financial reporting quality, whereas excessively large boards tend to reduce efficiency. A higher meeting frequency reflects proactive monitoring and is typically associated with

greater transparency and higher accounting information relevance, especially during periods of uncertainty. However, the effects of these characteristics are conditional, depending on institutional settings, ownership structure, and firm-specific factors.

2.5.2.5. Audit Characteristics

Audit characteristics directly affect the reliability and value relevance of accounting information. High audit quality (particularly Big4 auditors) helps constrain earnings management and increases the extent to which accounting information is reflected in the market, although the effect depends on institutional settings and internal control systems. Shorter audit lag enhances timeliness, thereby strengthening stock price reactions to accounting information.

2.5.2.6. Stock trading characteristics

Stock trading characteristics directly influence the magnitude and speed at which accounting information is incorporated into stock prices. High liquidity and frequent trading enable faster market absorption of information, reduce information asymmetry, and enhance accounting information relevance, although the strength of this effect depends on information transparency, investor composition, and market conditions.

2.6. RESEARCH GAPS

The literature review reveals three main research gaps.

First, previous studies have largely combined the measurement of accounting information relevance and the analysis of its determinants within a single model, without clearly separating these two research objectives.

Second, relatively few studies have simultaneously examined multiple groups of factors affecting accounting information relevance in emerging markets such as Vietnam.

Third, most studies rely primarily on the coefficient of determination (R^2) to assess accounting information relevance but have not quantified the relative contribution of individual accounting components in explaining stock prices.

Based on these gaps, the dissertation adopts a two-step research approach, develops an analytical framework comprising five groups of determinants, and employs the Shapley value method to quantify the relative contribution of each accounting indicator in the stock valuation model, thereby providing additional empirical evidence on the value relevance of accounting information in the Vietnamese stock market.

CHAPTER 3

RESEARCH MODEL AND METHODOLOGY

3.1. VALUE RELEVANCE OF ACCOUNTING INFORMATION IN FINANCIAL STATEMENTS

3.1.1. Measurement and evaluation of accounting information relevance in financial statements

The dissertation employs the Ohlson (1995) stock valuation model, extended with three accounting variables, namely EPS, BVPS, and CFOPS, to measure the value relevance of accounting information. The model is estimated by industry and by year using the OLS method. Stock prices three months after the fiscal year-end are used to ensure that the market has sufficient time to incorporate disclosed information. The coefficient of determination (R^2) is used to assess the explanatory power of accounting information for stock prices and to analyze the contribution of each accounting variable, while adjusted R^2 is used as a proxy for accounting information relevance and serves as the dependent variable in the second-stage model analyzing influencing factors under a two-step research approach.

3.1.2. Analysis of the relative contribution of accounting indicators to stock prices based on Shapley value theory

In addition to using the coefficient of determination (R^2) to measure the overall explanatory power of accounting information for stock prices, the dissertation applies Shapley value decomposition to quantify the relative contribution of each accounting indicator (EPS, BVPS, and CFOPS) to the model's explanatory power. This approach overcomes the limitation of traditional methods when accounting variables are correlated and jointly share explanatory power. Combining R^2 with Shapley decomposition allows for simultaneous assessment of the overall value relevance of accounting information and the role of each individual component in firm valuation.

3.1.3. Analysis of the relevance of accounting information in financial statements by industry, time, and economic periods

To examine differences in accounting information relevance, the dissertation estimates the stock valuation model by industry, by year, and across economic periods

(pre-, during, and post-COVID-19). The average adjusted R^2 is used to compare the extent to which accounting information is reflected in stock prices across groups, together with ANOVA tests to determine statistical significance. This approach provides empirical evidence on the variation in accounting information relevance across industry characteristics, time, and economic conditions in the Vietnamese stock market.

3.2. RESEARCH MODEL ON THE DETERMINANTS OF THE RELEVANCE OF ACCOUNTING INFORMATION IN FINANCIAL STATEMENTS

3.2.1. Research hypotheses

Hypothesis H1: Firm size has a positive effect on the value relevance of accounting information in financial statements.

Hypothesis H2: Financial leverage has a positive effect on the value relevance of accounting information in financial statements.

Hypothesis H3: Growth rate has a negative effect on the value relevance of accounting information in financial statements.

Hypothesis H4: Profitability has a positive effect on the value relevance of accounting information in financial statements.

Hypothesis H5: State ownership has a negative effect on the value relevance of accounting information in financial statements.

Hypothesis H6: Foreign ownership has a positive effect on the value relevance of accounting information in financial statements.

Hypothesis H7: Board size has a positive effect on the value relevance of accounting information in financial statements.

Hypothesis H8: Board meeting frequency has a positive effect on the value relevance of accounting information in financial statements.

Hypothesis H9: Audit quality has a positive effect on the value relevance of accounting information in financial statements.

Hypothesis H10: Audit lag has a negative effect on the value relevance of accounting information in financial statements.

Hypothesis H11: Stock liquidity has a positive effect on the value relevance of accounting information in financial statements.

Hypothesis H12: Stock trading frequency has a positive effect on the value relevance of accounting information in financial statements.

3.2.2. Regression model and variables

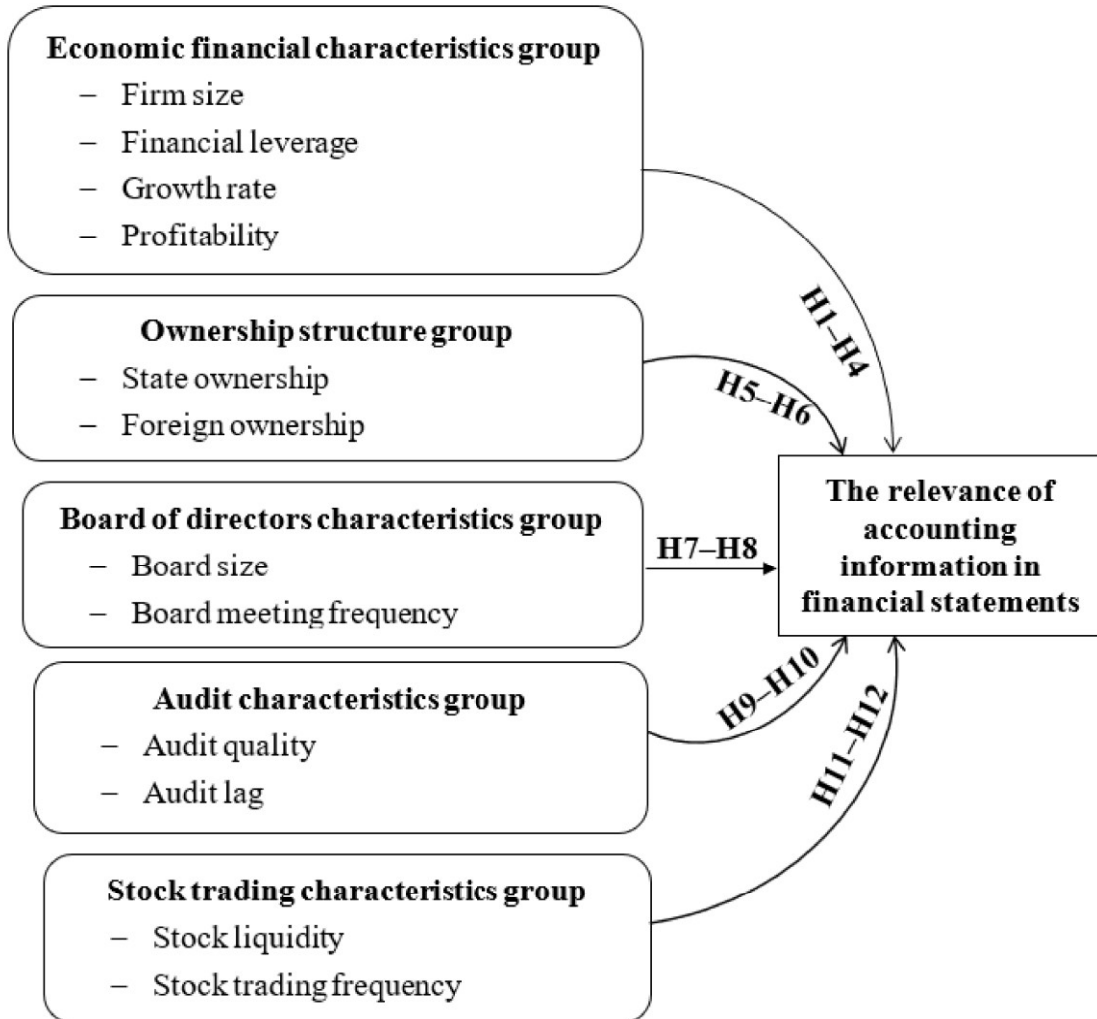


Figure 3.1. Proposed research model

Source: Proposed by the author

3.2.3. Estimation methods and model testing

The study employs panel data regression techniques to test the research hypotheses, which are appropriate for datasets comprising multiple firms over time. This approach increases the number of observations and helps mitigate omitted variable bias.

Three regression models are considered: Pooled Ordinary Least Squares (Pooled OLS), Fixed Effects Model (FEM), and Random Effects Model (REM). The choice between FEM and REM is determined using the Hausman test.

To ensure the reliability of the results, the study conducts diagnostic tests for key econometric issues, including multicollinearity (VIF), heteroskedasticity (White test, Wald test/xttest3), and serial correlation of residuals (Wooldridge test). When violations are detected, clustered standard errors at the firm level are used to ensure robust estimates.

In addition, the Generalized Least Squares (GLS) model is employed as a complementary approach to assess the robustness of the results. Model fit and explanatory power are evaluated using R^2 and the F-test, with statistical significance levels set at 1%, 5%, and 10% in line with standard empirical accounting and finance research practice.

3.3. DATA AND DATA PROCESSING

3.3.1. Research data

The study uses secondary data collected from audited financial statements, annual reports, corporate governance reports, and publicly available financial databases of non-financial firms listed on HOSE and HNX over the period 2014–2024. The dataset is structured as panel data (firm–year observations), ensuring objectivity, verifiability, and comparability over time.

The collected data include accounting information (earnings, revenue, assets, liabilities, equity, and cash flows), stock trading information, corporate governance characteristics, ownership structure, and audit-related information. These variables provide a comprehensive representation of firms' financial, governance, and market characteristics, serving as the basis for measuring the value relevance of accounting information.

Data are obtained through a combination of extraction from financial databases (FiinX, Vietstock, CafeF) and manual cross-checking from official corporate disclosures and stock exchanges to ensure accuracy.

The sample is selected based on the following criteria: firms continuously listed during 2014–2024; exclusion of financial institutions (banks, insurance, and financial companies) and oil & gas firms; inclusion of firms with calendar-year fiscal reporting; and availability of complete data for all variables used in the analysis.

3.3.2. Sample characteristics

The sample is classified based on the Industry Classification Benchmark (ICB) system and adjusted according to FiinGroup standards, consisting of 11 level-1 industry groups that are appropriate for the Vietnamese market context. Firms in banking, insurance, and financial services are excluded due to differences in accounting characteristics; the real estate sector is retained but treated as a separate group, while the telecommunications sector does not appear in the sample due to failure to meet the selection criteria.

After the screening process, the final sample includes 390 non-financial firms listed on HOSE and HNX over the period 2014–2024, corresponding to 4,290 firm-year observations in the panel dataset. The firms are classified into 8 main industry groups representing key sectors of the Vietnamese economy.

The data are also divided into three economic periods: pre-COVID-19 (2014–2019), during COVID-19 (2020–2021), and post-COVID-19 (2022–2024), to facilitate comparisons across macroeconomic conditions.

The sample structure shows a relatively balanced distribution between HOSE and HNX, diversity across industries (with the industrial sector accounting for the largest proportion), and reasonable representation across economic periods. With 4,290 observations, the dataset is sufficiently large and representative for quantitative analysis in this study.

3.3.3. Data processing methods

After collecting data from financial statements, trading records, and financial databases, the study conducts data cleaning, verification, and standardization prior to empirical analysis. The data processing procedure consists of five main steps.

First, data cleaning is performed through cross-verification across multiple sources, removing invalid observations, missing data, or records that do not meet research criteria, while also checking time-series consistency.

Second, data standardization and coding are conducted. Financial indicators are standardized consistently; EPS, BVPS, and CFOPS are calculated based on weighted average shares outstanding; qualitative variables are converted into dummy variables; and negative values are retained to accurately reflect firms' financial conditions.

Third, outliers are treated using the Winsorization method at the 1st and 99th percentiles for continuous variables to reduce the influence of extreme values without losing observational information.

Fourth, the dataset is structured into panel data format, and descriptive statistics are performed to examine the initial distributional characteristics of the variables.

Finally, all data processing and analysis are conducted using Stata software, which is used for model estimation and hypothesis testing in the subsequent chapters.

CHAPTER 4

EMPIRICAL RESULTS AND DISCUSSION

4.1. RESEARCH CONTEXT

4.1.1. The Vietnamese stock market

The Vietnamese stock market plays an important role in capital mobilization and corporate valuation, and has developed rapidly in both scale and integration. It was established in 2000 (HOSE), later expanded with HNX, and is now unified under the Vietnam Exchange (VNX), with ongoing efforts toward international standardization.

After more than two decades of development, the market has expanded significantly in size (market capitalization reaching approximately 66.8% of GDP, with more than 1,700 listed firms), and has developed across equities, bonds, and derivatives. It has also undergone deeper international integration and has been upgraded to an emerging market status, reflecting improved transparency and greater access to foreign capital.

However, the Vietnamese stock market still exhibits characteristics of an emerging market, such as information asymmetry, relatively low market efficiency, and uneven quality of corporate governance and disclosure. These factors directly affect the measurement of accounting information value relevance, particularly in terms of stock price timing and the extent to which information is incorporated into prices.

Therefore, the study requires adjustments in measurement approaches (valuation models, stock price lag, and firm characteristic controls) to better reflect the Vietnamese market context and ensure the reliability of empirical results.

4.1.2. Research period classification based on COVID-19

The study divides the 2014–2024 period into three sub-periods to reflect changes in value relevance over time. In the pre-COVID-19 period (2014–2019), the market experienced stable growth and accounting information was relatively well reflected in stock prices. During COVID-19 (2020–2021), the degree of reflection declined due to strong disruptions in business operations and investor sentiment. In the post-COVID-19 period (2022–2024), the market recovered, and the role of accounting information

gradually improved, although with noticeable industry-level divergence. This classification helps clarify the impact of macroeconomic conditions on the value relevance of accounting information.

4.2. DESCRIPTIVE STATISTICS

The research sample consists of 390 listed firms with 4,290 observations, indicating substantial diversity and heterogeneity among firms in the Vietnamese capital market.

The descriptive statistics show that stock prices (Pt3) and accounting variables such as EPS, BVPS, and CFOPS exhibit high variability, reflecting strong dispersion in business performance and market expectations. Financial indicators including firm size, leverage, growth, and ROA also display significant differences across firms.

Regarding ownership structure, both state ownership and foreign ownership are widely dispersed, indicating diverse ownership configurations and potential differences in monitoring mechanisms. Corporate governance and audit characteristics also vary considerably, with only about 27% of firms audited by Big4 auditors and audit lag showing a relatively wide range.

In terms of trading characteristics, liquidity and trading frequency reflect notable differences across stocks, with liquidity exhibiting substantial variation. Overall, the descriptive statistics indicate a highly heterogeneous sample, capturing the diverse nature of the Vietnamese stock market and providing a suitable basis for subsequent empirical analysis.

4.3. EMPIRICAL RESULTS ON THE RELEVANCE OF ACCOUNTING INFORMATION IN FINANCIAL STATEMENTS

4.3.1. Results of measuring and evaluating the relevance of accounting information in financial statements

The study estimates the stock price valuation model for the full sample, as well as by year and by industry, in order to measure the value relevance of accounting information through adjusted R^2 .

The overall regression results show that the model has an R^2 of 0.491, meaning that EPS, BVPS, and CFOPS jointly explain approximately 49.1% of stock price variation. All three variables are statistically significant and positively associated with

stock prices, with EPS and BVPS exhibiting stronger effects than CFOPS. This indicates that earnings and book value are key determinants in stock valuation in Vietnam, while cash flow plays a supporting role.

Yearly and industry-level regressions allow for separate adjusted R^2 calculations, capturing differences in value relevance over time and across sectors. The R^2 values vary considerably across industries and years, indicating that value relevance is not stable but depends on macroeconomic conditions and industry-specific characteristics.

Overall, the results confirm that accounting information plays a significant role in stock valuation and provide adjusted R^2 data for further analysis of influencing factors in subsequent steps.

4.3.2. Results of the analysis of the relative contribution of accounting indicators to stock prices based on Shapley value theory

The study applies the Shapley value method to decompose the contribution of each accounting indicator to the explanatory power of stock prices (R^2), thereby assessing their relative importance in the valuation model.

The results show that EPS has the largest contribution (62.80%), confirming that earnings per share is the most important factor in stock valuation in Vietnam. BVPS ranks second (31.53%), reflecting the supporting role of book value in firm valuation, although its influence is lower than in many developed markets. CFOPS contributes the least (5.67%), indicating that operating cash flow plays only a supplementary role and is not a primary determinant of stock prices.

Overall, the findings confirm that EPS is the most important accounting indicator, followed by BVPS, while CFOPS has a limited role in explaining stock price variation in the Vietnamese stock market.

4.3.3. Results of the analysis of the relevance of accounting information in financial statements by industry, time, and economic periods

The study uses average adjusted R^2 from the valuation model to assess the value relevance of accounting information across industries, time, and economic phases.

Across industries, value relevance varies significantly (R^2 ranging from 0.35 to 0.68): it is higher in Pharmaceuticals & Healthcare, Information Technology, and

Industrials, while lower in Real Estate and Consumer Services, due to stronger influences of speculative trading and non-accounting information.

Over time, R^2 fluctuates, showing a downward trend from 2014–2019, a sharp decline in 2017–2018, a slight recovery during the COVID-19 period, and an increase in 2023–2024, reflecting changes in the role of accounting information under different market conditions.

Across economic phases, R^2 declines from the pre-COVID period to its lowest level in the post-COVID period, with statistically significant differences between phases.

Overall, the value relevance of accounting information varies across industries, time, and macroeconomic conditions, with shocks such as COVID-19 reducing the extent to which accounting information is reflected in stock prices.

4.4. EMPIRICAL RESULTS ON THE DETERMINANTS OF THE RELEVANCE OF ACCOUNTING INFORMATION IN FINANCIAL STATEMENTS

4.4.1. Correlation analysis and diagnostic testing of regression model assumptions

Before estimating the model on factors affecting the value relevance of accounting information, the study conducts several diagnostic tests to ensure data reliability and regression validity, including correlation analysis, multicollinearity, heteroskedasticity, and autocorrelation tests.

The correlation matrix results indicate low to moderate correlations among variables. The dependent variable shows a weak positive correlation with ROA and TURN. Overall, the independent variables do not exceed the 0.8 threshold, suggesting no serious multicollinearity issues.

This is further confirmed by VIF tests, where all variables exhibit low VIF values (ranging from 1.02 to 1.80), well below the critical threshold, indicating that multicollinearity is not a concern in the model.

However, the White test indicates the presence of heteroskedasticity, and the Wooldridge test confirms first-order autocorrelation in the panel data. Therefore, clustered standard errors at the firm level and the GLS method are employed to address these issues.

Overall, the data are suitable for estimation using Pooled OLS, FEM, and REM, while appropriate corrections are applied to ensure the robustness and reliability of the regression results.

4.4.2. Regression results of the research model

After performing the diagnostic tests, the study estimates the model using Pooled OLS, FEM, REM, and GLS. The results show a relatively low explanatory power (adjusted R^2 of approximately 4.5%), which is consistent with empirical accounting research characteristics. The Hausman test and diagnostic results indicate that FEM is more appropriate than REM; however, the presence of heteroskedasticity and autocorrelation leads to the use of GLS as the main estimation method.

The GLS results show that SIZE has a negative effect; ROA and LEV have positive and statistically significant effects; and GROWTH is not statistically significant. Regarding ownership, STATE has a positive effect while FOREIGN is not significant. In terms of governance, BDSIZE has a weak effect and BDMEET has a negative effect. BIG4 and AUDTIME show no significant impact. Meanwhile, TURN and LIQ have positive effects, highlighting the role of market activity.

Overall, the value relevance of accounting information is jointly influenced by firm characteristics, ownership structure, and market activity, with profitability and trading intensity playing more prominent roles than audit-related and growth factors.

4.4.3. Discussion of results and hypothesis testing

The GLS results show that the value relevance of accounting information in non-financial listed firms in Vietnam is heterogeneously influenced by different groups of factors and is strongly shaped by emerging market characteristics.

In the economic-financial group, ROA and financial leverage (LEV) have positive effects, while firm size (SIZE) has a negative effect and growth (GROWTH) is not statistically significant. This suggests that the market responds more strongly to profitability and financial discipline than to firm size and growth expectations.

Regarding ownership structure, state ownership (STATE) has a positive effect, whereas foreign ownership (FOREIGN) is not statistically significant. For board characteristics, board size and meeting frequency have weak or negative effects. Audit-related variables (Big4 and audit lag) are also statistically insignificant,

indicating that governance and audit signals are not effectively incorporated into market valuation.

In contrast, trading frequency (TURN) has a strong and stable positive effect, while liquidity (LIQ) shows a positive but inconsistent influence.

Overall, accounting information in Vietnam is primarily reflected through high-reliability signals such as earnings, leverage, and trading activity, whereas governance, audit, and growth-related factors do not exhibit clear effects. This reflects the characteristics of an emerging market with persistent information asymmetry.

4.4.4. Robustness analysis of the research models

The robustness analysis indicates that the results are stable and reliable. In the stock price valuation model, EPS and BVPS consistently exhibit positive and highly significant effects under both raw price and log-price specifications. The R^2 remains stable at around 50%, confirming that the model is robust and appropriate for measuring the value relevance of accounting information.

For the factor model, results are consistent across FEM, REM, and GLS estimations. The Hausman test supports FEM, while GLS effectively addresses heteroskedasticity and autocorrelation without altering the main conclusions.

CHAPTER 5

CONCLUSIONS AND RECOMMENDATIONS

5.1. CONCLUSIONS

Based on data from non-financial listed firms in Vietnam over the period 2014–2024, the thesis measures the value relevance of accounting information using a stock valuation model and examines its determinants.

The results show that accounting information is able to explain stock prices, but at a limited level, reflecting the characteristics of an emerging market where non-accounting factors still play a dominant role. Among accounting variables, EPS is the most important factor in explaining stock prices, followed by BVPS and CFOPS. The Shapley decomposition further confirms that EPS has the largest contribution (62.8%), highlighting the dominant role of earnings in valuation.

The value relevance of accounting information varies across industries, time, and economic phases: it is more stable in sectors such as information technology and healthcare, lower in real estate and consumer services; it declines during 2017–2019 and the COVID-19 period, but recovers afterward, indicating its dynamic nature depending on economic context.

Regarding the determinants, the regression results show that:

- Firm size has a negative effect on value relevance of accounting information.
- Financial leverage and profitability have strong positive effects.
- State ownership has a positive effect, while foreign ownership is not statistically significant.
- Stock trading frequency has a clearly positive impact.
- Factors such as board size, board meeting frequency, Big4 audit, audit tenure, and stock liquidity do not show stable effects.

Robustness tests indicate that the results are consistent across OLS, FEM, REM, and GLS models, reinforcing the reliability of the findings.

Overall, the thesis confirms that accounting information has value in firm valuation in Vietnam, but its level remains limited and strongly dependent on industry,

time, and firm characteristics. This suggests the need to further improve financial reporting quality and strengthen market monitoring mechanisms.

5.2. RECOMMENDATIONS

5.2.1. Enhancing the economic representativeness of accounting information through strengthening the verifiability between earnings and cash flows

The findings show that EPS is the dominant factor in stock valuation, while CFOPS plays a limited role. This reflects the fact that investors in Vietnam still rely primarily on accounting earnings and have not effectively incorporated cash flow information in assessing earnings quality.

This situation is driven by limited financial literacy, financial statements that do not clearly highlight the relationship between earnings and cash flows, and investors' tendency to focus on short-term information.

The thesis recommends strengthening the linkage and verifiability between earnings and cash flows rather than increasing the volume of disclosed information. Firms should clearly explain earnings–cash flow differences, while regulators should improve disclosure guidance in the direction of enhancing the coherence across financial statements.

When this relationship is made more transparent, investors will better assess earnings quality, reduce information asymmetry, and enhance the value relevance of accounting information.

5.2.2. Improving disclosure content in line with industry characteristics and economic cycles

The results indicate that the value relevance of accounting information differs across industries and varies over economic phases: higher in stable industries, and lower in cyclical industries as well as during unstable periods such as COVID-19.

These differences arise from industry-specific characteristics, uneven disclosure quality, short-term investor behavior, and disclosure frameworks that do not fully reflect firms' value creation models.

The thesis proposes improving disclosure practices by aligning them with industry characteristics and economic context, focusing on usefulness rather than increasing disclosure volume.

Specifically, firms should emphasize cash flow, operational efficiency, and risk information in accordance with industry characteristics; during periods of uncertainty, they should provide stronger explanations of key assumptions; and regulators should develop flexible, industry-oriented disclosure guidelines.

Overall, an adaptive approach by industry and context enhances information interpretability, reduces information asymmetry, and improves the value relevance of accounting information.

5.2.3. Enhancing the efficiency of information absorption and price reflection in the capital market

The findings indicate that stock trading frequency has a positive impact on the value relevance of accounting information, whereas corporate governance and audit-related factors do not exhibit stable effects. This suggests that the extent to which accounting information is reflected in stock prices in the Vietnamese stock market depends primarily on market activity and its information absorption capacity, rather than indirect signals from governance or auditing mechanisms.

This result can be explained by the still-limited market efficiency, heterogeneous analytical capabilities among investors, and underdeveloped information infrastructure.

Accordingly, the study recommends shifting the focus from increasing disclosure volume to improving information usability through data standardization, development of information infrastructure, and enhancement of investors' analytical capabilities.

Overall, improving the market's ability to absorb and process accounting information will accelerate the incorporation of information into stock prices, reduce information asymmetry, and enhance capital market efficiency.

5.3. CONTRIBUTIONS OF THE THESIS

From a theoretical perspective, the thesis provides empirical evidence on the value relevance of accounting information in the Vietnamese stock market by assessing the extent to which EPS, BVPS, and CFOPS are reflected in stock prices. It also clarifies differences in value relevance across industries, over time, and across economic phases.

From a methodological perspective, the thesis adopts a two-step research approach, in which the value relevance of accounting information is first measured

using a stock valuation model, and the resulting measure is then used to analyze its determinants. The study also applies the Shapley value method to quantify the relative contribution of each accounting indicator to the explanatory power of stock prices.

From a practical perspective, the thesis provides evidence on the extent of accounting information reflection in stock prices and identifies factors affecting the value relevance of accounting information in non-financial listed firms in Vietnam. These findings serve as a basis for policy recommendations aimed at improving accounting information quality, enhancing transparency, and strengthening the efficiency of the stock market.

5.4. LIMITATIONS AND FUTURE RESEARCH DIRECTIONS

The dissertation acknowledges several key limitations related to data scope, model specification, and research variables, and accordingly proposes directions for future research.

First, regarding data, the study focuses only on non-financial firms listed on HOSE and HNX during the 2014–2024 period, excluding UPCoM-listed and unlisted firms. Therefore, the generalisability of the findings remains limited.

Second, regarding the model, the dissertation employs the linear Ohlson (1995) model, whereas the relationship between accounting information and stock prices may be nonlinear or state-dependent. Hence, future research could adopt nonlinear models or machine learning approaches to better capture these dynamics.

Third, regarding variables, the study primarily uses traditional accounting measures and selected firm-specific characteristics, without fully incorporating emerging factors such as ESG, earnings quality, accounting technology, or investor behaviour.

Accordingly, future research is encouraged to expand the sample scope, diversify model specifications, and integrate modern financial, non-financial, and behavioural factors in order to provide a more comprehensive explanation of the value relevance of accounting information.

SCIENTIFIC PUBLICATION

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