

Voluntary Disclosures of Annual Segmental Information

Steven Allen^a, Carolyn Callahan^b, Rajib Doogar^c, Ramachandran Ramanan^b

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Abstract

This study examines voluntary disclosure of segmental information by a sample of US firms during 1967 and 1968. Voluntary disclosers have higher incidence of pre-disclosure merger activity than the non-disclosers. Voluntary disclosures are more likely when the market already has information about the firm's disaggregated operations. Voluntary disclosers are also larger, have more distinct business segments, more stockholders, higher financial leverage and resort more frequently to public financing compared to a sample of non-disclosers.

Key Words: Voluntary Disclosure, Segmental Reporting, Agency Costs, Information Asymmetry

Data Availability: All data are drawn from public sources identified in the paper.

^a Wilmington College, Cincinnati.

^b Department of Accountancy, University of Notre Dame.

^c Department of Accountancy, University of Illinois at Urbana-Champaign.