MERIT RESEARCH JOURNALS
www.meritresearchjournals.org

Merit Research Journal of Business and Management (ISSN: 2408-7041) Vol. 9(1) pp. 001-009, January, 2020
Available online http://www.meritresearchjournals.org/bm/index.htm

DOI: 10.5281/zenodo.4538820

Original Research Article

Influence of Company Specific Characteristics on the Value Relevance of Accounting Information in Bangladesh

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Abstract

The purpose of this study is to examine the influence of company-specific characteristics, namely, stockholders' number, and the company's age on the value relevance of accounting information. Value-relevance is measured by the adjusted R^2 derived from a regression of stock price on EPS, BVPS, and CFPS using the price model. The study sample included 71 manufacturing companies listed with Dhaka Stock Exchange (DSE) in Bangladesh within the period 2000-2017. The results of this study showed that earnings (EPS), book value (BVPS), and cash flow (CFPS) are value relevant to the share price. The explanatory power of the extended model also shows significant improvement when compared with the baseline regression model where the stock price is regressed on EPS, BVPS, and CFPS but fails the test of significance. At long last, the end thus is that the company-specific characteristics have not achieved a more grounded relationship of accounting information and share price for the manufacturing sector in Bangladesh. The paper presents the ability of valuation theory/model to interact with other theories by including the influence of non-accounting information on the accounting information value relevance. This study may introduce proof that can serve the educational institutions in their courses and provide a guideline to investors, managers and financial analysts to better summarize the firm value. This research likewise makes windows for future studies toward this path for different segments.

Keywords: Value relevance, Accounting information, Company-Specific Characteristics, Manufacturing Sector and Bangladesh

INTRODUCTION

Accounting information is the number that investors need to assess firm value and make a decision. Thinggaard and Damkier, (2008) believed that value relevance accounting information is a hazy term on the grounds that different user groups for valuation purposes may have different views about what the information value relevance is. As indicated by previous studies in the literature (e.g., Core et.al., 2003; Francis and Schipper, 1999; Kothari and Shanken, 2003), the value relevance of accounting information can be defined as the ability of accounting numbers, to sum up, the information underlying the stock prices.

Bao, (2004) thought that the accounting information that investors need does not require to be new in order to

be relevant, but it can be relevant by summing up accounting information that might be taken from other sources.

Consequently, previous literature recognized numerous factors that may influence the relevant information and keep financial statements away from fully covering the investors' needs which in turn, affect the financial reporting quality. Kothari, (2001) asserted that financial statements are not the only source of information for investors. Investors search for relevant information from other sources. Jensen and Meckling, (1976) recognized that asymmetric information (agency problem) is one of the factors that may influence the relevant information because managers know more about firm affairs than investors. Oyerinde (2009) called attention to economic and technology changes that can influence the accounting practice. Lev and Zarowin, (1999) uncovered that moving from industrialized to high technology service economy leads financial statements to lose their value relevance. Joos and Lang, (1994) distinguished that the assortment in revelation and measure rehearses cross-countries may make the distinctions in accounting information quality.

Appropriately, in reality, it can not exhort the accounting information users to find the firm value based on accounting information value relevance which is influenced by those different factors. Along these lines, this study endeavors to test the influence of different factors on the accounting information relevance to determine the validity of the valuation theory on itself and on its ability to interact with other theories (such as stockholders, and life cycle) that are related to the study's selected variables. The study attempts to address the questions of whether the specific characteristics of a company (stockholders' number, and company's age) affect the earnings, book value and cash flows relevance? Consequently, the objectives are to examine whether the company's characteristics can influence the value relevance of accounting information.

The study contributes to the literature by stretching out valuation research to include Bangladesh as a developing country. Likewise, valuation models and analyses are reached out by examining the accounting information value relevance influenced by the company's characteristics. At that point, the expected results of this study are important to investors and other market participants for better understanding the influence of the company's characteristics on the accounting information value relevance. The study presents evidence that can serve as a guideline to investors, managers, and financial analysts to all the more likely assess the firm value.

Literature Review

This section discusses the literature on ideas relevant to research, e.g. company specific characteristics and therefore the relative significance of accounting information.

Value Relevance and Stockholders Number

Previous studies (Al Arussi et.al., 2009 and Glautier and Underdown, 1997) have explored the effect of stockholders' number on the disclosure level and a significant and positive effect has been concluded. Al Arussi et.al., (2009) deduce that companies with a large number of stockholders like to enhance their disclosure high-quality so as to ensure equal relevant information access for all stockholders and respond to different stockholders' needs. Glautier and Underdown, (1997) also claimed that a firm financial position is considered to be stronger if the proportion of the stockholders' equity is larger.

As per Amihud, et.al., (1999), increasing firms' stockholders' numbers could result in increasing the firms' market value and reducing the firms' cost of capital, accordingly managers are encouraged to expand the firms' stockholders number. Furthermore, Shamki (2012) and Shamki and Alulis (2016) found a significant effect on companies' stockholders' numbers on their earnings and book value of equity relevance in Jordanian industrial companies. In accordance with Shamki (2012) and Shamki and Alulis (2016), this study expects that extending stockholders' numbers may positively influence the accounting information value relevance.

Value Relevance and Company's Age

Black (1998) and Aharony and Yehuda (2006) tested the impact of the company's age on earnings and cash flows relevance and they found cash flows being more relevant than earnings in most firms' life cycles. Shamki and Alulis (2016) analyzed the impact of the company's characteristics, namely, stockholders' number, listing status, and company's age on its accounting information relevance for a sample consisting of 91 companies in the services and industrial sectors in Jordan within 2004-2013. They found that companies with older age yield greater value relevance for per-share earnings and book value.

Al Arussi et al. (2009) examined the impact of the company's age on the financial disclosure and found it to be significant. They contemplated that the old company has to improve their annual reports over time. Moreover, Huynh and Petrunia, (2010) pointed out that old companies continually enhance the quality of their annual reports over the time and at the same time young companies attempt to go to public earlier, therefore they are stimulated to improve their financial reporting disclosure to more growth in future by having more financial resources. Along these lines, there is no clear

concept of whether the company's age affects the value relevance of the accounting information.

Company's Size and Leverage

As alluded to before inquiry, numerous factors have been seen as controlled while examining the value relevance of the accounting information. The company's size and leverage are the paper's control variables. Following previous literature (Anandarajan and Hasan, 2010; Shamki and Alulis, 2016; Jabar, 2012; Shamki, 2012 and 2013) the present study controlled firm size while looking at the value relevance of the accounting information. This is authentic, in light of the fact that large companies have large accounting variables then huge profit, book worth, and incomes. As indicated by the financial theory, financial leverage (using the debt capital) will extend the financial risk. While a positive association has been found between the financial leverage and the equity risk (Hamada, 1972; Galai and

Masulis, 1976; Karma and Sander, 2006), a negative association between leverage and a firm's profitability has been found (Rajan and Zingales, 1995; De Jong et al., 2008; Verwijmeren and Derwall, 2010). Leverage is similarly associated with the present study as a control variable since firms' risk level is expressed to expect a coordinating activity according to the components that impact the value relevance of accounting information (Joos and Lang, 1994).

MATERIALS AND METHODS

Hypotheses Development and Model Specification

Since this study intends to inspect whether the earnings, book value and cash flows relevance is influenced by company characteristics (stockholders number and company's age), the connections among study variables are hypothesized as per the stock price as follows:

H_{a1}: Shareholder's number has a significant influence on the value relevance of accounting information.

H_{a2}: The Company's age has a significant influence on the value relevance of accounting information.

As per the valuation theory, two valuation models are regularly utilized in in value relevance studies namely the price and return models. Price Model estimates the capacity of accounting information to clarify market values of equity. The Ohlson (1995) Price Valuation Model has been used in the current examination to decide the value relevance of accounting information. This model expresses market price per share (P) as a component of both earnings per share (EPS) and book value per share (BVPS). An exact adjustment of Ohlson's theoretical model has been used widely in the value relevance literature (Barth, 2000; Barth et al, 2001; Ota, 2003, 2010; Suwardi, 2009; Hadi, 2005; Burgstahler and Dichev, 1997; Collins et al., 1997; Barth et al., 1998; Collins et al., 1999; Easton, 1999; and Easton and Sommers, 2000).

This paper utilizes the valuation framework developed by Ohlson (1995) to inspect the value relevance of earnings per share and book value of equity per share in addition to cash flow per share following Dechow (1994); Ortega (2006); Anandarajan and Hasan, (2010); Khanagha et al. (2011) and Shamki and Abdul Rahman, (2012). In like manner, standard multiple regressions are used to check the connections between dependent variable and independent variables in the wake of controlling firms' size and leverage, the price model is adopted:

$$P_{it} = \beta_0 + \beta_1 EPS_{it} + \beta_2 BVPS_{it} + \beta_3 CFPS_{it} + \beta_4 SIZE + \beta_5 LEVRG + e_{it} \quad \ldots\ldots\ldots (1)$$

Where, for firm i at the end of a year t;

P = Average annual share pricerefers to annual rates of share price of a company for the financial year (Grabowski and Mueller, 1975; Oyerinde, 2009); EPS = EPS refer to earnings per share of a company at end of the financial year (Bae and Jeong, 2007; Anandarajan and Hasan, 2010; Al Arussi et al., 2009 and Shamki and Alulis, 2016; Shamki and Abdul Rahman, 2012);

BVPS = BVPS refers to book value of equity per share of a company at end of the financial year (Bae and Jeong, 2007; Shamki and Abdul Rahman, 2012; Anandarajan and Hasan, 2010; Al Arussi et al., 2009 and Shamki and Alulis, 2016;);

CFPS = CFPS refer to cash flows from operating activities per share of a company at end of the financial year (Shamki, 2013 and Anandarajan and Hasan, 2010);

SIZE = size refers to the natural logarithm of total assets of a company at end of the financial year (Hassan, 2004; and Anandarajan and Hasan, 2010) and

LEVRG = Leverage refers to the ratio of debt to total assets of a company at end of the financial year (Anandarajan and Hasan, 2010; and Choi et al., 2011).

In this study, EPS, BVPS, and CFPS are used with the selected company characteristics (shareholders number and company's age), to capture the influence of these characteristics on the value relevance of accounting information. As per Hartmann and Moers (1999), this model is thought to be the reasonable one by including the interaction term of a particular variable on the connection between the dependent and independent variables. To test the influence of the company characteristics on the value relevance of accounting variables, interaction term (accounting variable * company characteristics) is included in the Price Model. Therefore, the general price model is:

$$P_{it} = \alpha_0 + \beta_1 CC + \beta_2 EPS + \beta_3 EPS*CC + \beta_4 BVPS + \beta_5 BVPS*CC + \beta_6 CFPS + \beta_7 CFPS*CC + \beta_8 SIZE + \beta_9 LEVRG + e_{it}$$

Where, CC= company characteristics (shareholders number and company's age);

$CC_{SHRHNO,\ AGE}$= company characteristics as a dummy variable with value 1 for; SHRHNO = shareholders number greater than the median number in the sample,AGE = company's age greater than the median age in the sample, 0 otherwise; and other variables are defined before.

To test the hypothesis, the following models are used in this paper:

$P_{it} = \beta_0 + \beta_1 SHRHNO + \beta_2\ EPS + \beta_3\ EPS^*\ SHRHNO + \beta_4\ BVPS + \beta_5\ BVPS^*\ SHRHNO + \beta_6\ CFPS + \beta_7\ CFPS^*SHRHNO + \beta_8\ SIZE + \beta_9\ LEVRG + e_{it}$..... (2)

$P_{it} = \beta_0 + \beta_1 AGE + \beta_2\ EPS + \beta_3\ EPS^*\ AGE + \beta_4\ BVPS + \beta_5\ BVPS^*\ AGE + \beta_6\ CFPS + \beta_7\ CFPS^*\ AGE + \beta_8\ SIZE + \beta_9\ LEVRG + e_{it}$……. ..... (3)

Coefficients with number 1 represent the value relevance of company characteristics in their rights. Coefficients numbered 2, 4 and 6 represent earnings, book value and cash flows relevance respectively without the effect of company characteristics. Coefficients 2 + 3, 4 + 5 and 6 + 7 summarize the response of stock price to earnings, book value and cash flows respectively with the influence of company characteristics. It is assumed that H_{01} and H_{02} as H_0: $\beta_3 = 0$, $\beta_5 = 0$ or $\beta_7 = 0$.

Sample and Data Collection

This study has concentrated on listed manufacturing companies of the Dhaka Stock Exchange. The study has chosen those manufacturing companies listed with DSE in the year 2000 or before i.e. information for 18 years from 2000 to 2017. As indicated by these criteria 71 manufacturing companies have chosen for the study.

Technique of Data Analysis

The multiple regression models are broadly utilized in earlier research to analyze the value relevance of the accounting information (Harris et al., 1994; Collins et al., 1997; Pirie and Smith, 2008 and among others). This paper has likewise used pooled regression following the methodology of Pirie et.al. (2008) with a basic empirical model that connects share price. As per Cavana et al., (2001) as study models incorporate numerous independent variables, balanced R^2 which is one of multiple regression outputs helps with evaluating the connection quality among the study variables. To assess study models it needs to consider *F* statistics significance. Following previous studies on the value relevance (Shamki, 2012 and 2013 and Shamki and Rahman, 2013), this paper relies upon the measurable estimations of the related coefficients of the pooled test in assessing its hypotheses.

RESULTS

This part contains the study results which mean to look at whether listed manufacturing company's company characteristics (stockholders number and company's age) influence its accounting information relevance and display the study results according to the study hypothesis. To confirm the hypothesis's genuineness, multiple linear regression analysis tests were used to identify the relationship between company characteristics (stockholders number and a company's age) and value relevance of accounting information.

Descriptive Statistics

The descriptive statistics provide data's distribution profile to ensure that the sample is distributed normally. The entirety of the skewness and kurtosis values except share price are within ± 2 which ensures the normal distribution of the sample. To wipe out the non-normal distribution of share price, transformation process has to be done by natural logarithm transformation method, following Pallant and Manual, (2007). Using SPSS, descriptive statistics for stock price measures, accounting information, and control variables are determined in Table 1. The descriptive statistics table shows that the annual share price has a mean and standard deviation of Tk. 3.83 and Tk. 1.4074 respectively. Among the accounting variables, book value per share shows the highest standard deviation while the least is appeared by income per share. The table 1 indicates that 51% of shareholders number and 53% of age values in the sample are larger than their median numbers in study companies' sample.

Value Relevance of Accounting Information

Table 2 shows that the overall *R*-square is 0.536678. This demonstrates the model has accounted for a 53.67% variation in share price by the independent variables. 'F' value is significant at 1% level. This implies that independent variables (EPS, BVPS, CFPS, SIZE, and LERVG) have a significant impact on the market price of the security.

For the combined EPS, BVPS and CFPS in the price model all variables individually are value relevant relating to the share price. This is demonstrated by the significant positive coefficients on these variables (β_1, β_2, and β_3), demonstrating an increase in the value relevance of these accounting variables. This result is consistent with the previous studies (Lev, 1989; Ou et al., 1989; Barth, 1991; Easton and Harris,1991; Penman, 1991; Easton et al., 1992; Dechow, 1994; Ohlson, 1995; Feltham and Ohlson, 1995; Barth and Kallapur, 1996; Collins et al., 1997; Cheng et al., 1997; Ely and Waymire, 1999;

Table 1. Descriptive Statistics of the Panel Data Series

	PRICE	EPS	BVPS	CFPS	SIZE	LEVRG	AGE	SHRHNO
N	1278	1278	1278	1278	1278	1278	1278	1278
Mean	3.83	6.315	43.88	9.13	20.45	0.78	0.53	0.51
Std. Deviation	1.41	14.25	60.46	27.42	1.501	2.27	0.49	0.50
Skewness	0.32	0.00	0.00	0.00	0.082	22.65	-0.11	-0.031
Kurtosis	-0.48	-0.08	-0.08	-0.08	0.43	611.87	1.01	1.00
Minimum	0.33	-38.9	-148.2	-77.8	14.77	0.00	0.0	0.0
Maximum	8.15	51.59	235.96	96.22	25.71	67.41	1.0	1.0

Source: Annual Reports (2000-2017)
Notes: i) Date are derived from output on SPSS 23.0
ii) Data have been compiled by researcher.

Table 2. Accounting Information Value Relevance

$P_{it} = \beta_0 + \beta_1 EPS_{it} + \beta_2 BVPS_{it} + \beta_3 CFPS_{it} + \beta_4 SIZE + \beta_5 LEVRG + e_{it}$

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	1.369737	0.422629	3.240992	0.0012
EPS	0.044187*	0.002400	18.41385	0.000
BVPS	0.003897*	0.000641	6.076999	0.000
CFPS	0.011420*	0.001121	10.19173	0.000
SIZE	0.092320*	0.021195	4.355802	0.000
LEVRG	0.017029	0.012932	1.316812	0.188
R-squared		0.536678		
Adjusted *R*-squared		0.534850		
F-statistic		293.5199*		
Prob(F-statistic)		0.000		

Source: Annual Reports (2000-2017)
Notes: i) Date are derived from output on E-Views 10.0
ii) *; **; *** Significant at 1%; 5% and 10% levels respectively.
iii) Data have been compiled by researcher.

Easton, 1999; Alsalman, 2003; Bao, 2004; Anandarajan and Hasan, 2006; Verwijmeren and Derwall, 2007; Vishnani and Shah, 2008).

Value Relevance and Shareholders Number

Table 3 shows that the overall *R*-square is 0.542. The value implies that about 54.2% of the variation in share price is explained by the independent variables. From the perusal of results in Table 3, it has been found that 'F' value is significant at 1% level. This implies that independent variables have a significant impact on the market price of the security. The result shows that including the interaction of shareholder numbers in the regression model adjusted R^2 (0.539) is the same as that of adjusted R^2 (0.534) in Table-2. This indicates that the effect of the shareholder number is not largely attributable.

Table 3 presents the regression results for the pooled sample with the interaction of shareholder numbers relating to the share price. The coefficients on EPS (β_2 = 0.042), on BVPS (β_4 = 0.004) and CFPS (β_6 = 0.010) are significant at 0.01 level and demonstrate the value relevance of EPS, BVPS, and CFPS in the absence of the impact of the shareholder's number. However, the results show that the coefficient on shareholders' number (β_1 = -0.171) is significant at the 0.05 level. This demonstrates that shareholders number is relevant in its own right. However, the shareholders' number variable shows a statistically insignificant impact on the value relevance of EPS, BVPS, and CFPS. This is demonstrated by the insignificant coefficients on the interaction term (β_3 = 0.003, β_5 = -0.002 and β_7 = 0.004 respectively). The β_3, β_5, and β_7 are insignificant, indicating that shareholder number has no impact on the value relevance of EPS, BVPS, and CFPS.

The stockholder's theory could clarify the positive and significant effect of stockholder's number on the earnings (EPS), book value (BVPS) and cash flow (CFPS) relevance by that companies aim to increase their stockholders' interest, which should be conceivable by

Table 3. Shareholders Number and Accounting Information Relevance

$P = \beta_0 + \beta_1$ SHRHNO $+ \beta_2$ EPS $+ \beta_3$ EPS* SHRHNO $+ \beta_4$ BVPS $+ \beta_5$ BVPS* SHRHNO $+ \beta_6$ CFPS $+ \beta_7$ CFPS* SHRHNO $+ \beta_8$ SIZE $+ \beta_9$ LEVRG $+ e_{it}$				
Variables	**Coef.**	**Std. Error**	**t-Statistic**	**Prob.**
Constant	0.884**	0.447	1.978	0.048
SHRHNO	-0.171**	0.071	-2.405	0.016
EPS	0.042*	0.004	11.795	0.000
EPS* SHRHNO	0.003	0.005	0.649	0.516
BVPS	0.004*	0.001	5.186	0.000
BVPS* SHRHNO	-0.002	0.001	-1.501	0.134
CFPS	0.010*	0.002	6.377	0.000
CFPS* SHRHNO	0.004	0.002	1.632	0.103
SIZE	0.121*	0.023	5.272	0.000
LEVRG	0.010	0.013	0.760	0.447
R^2		0.542		
Adj.R^2		0.539		
F-statistics		166.215*		
P- Value		0.000		

Source: Annual Reports (2000-2017)
Notes: i) Date are derived from output on E-Views 10.0
ii) *; **; *** Significant at 1%; 5% and 10% levels respectively..
iii) Data have been compiled by researcher.

increasing the value of their stocks and thus their firm value. As per Al Arussiet.al, (2009) stockholders legitimately or by implication influence the managers' decisions, and managers have to follow the stockholders' demands by disclosing relevant information. Stock-holders' theory directed managers to increase companies' stock prices. This is the reason why, Danielson, et.al, (2008) indicated that a company's stock price might diverge from its fundamental value due to instantaneously and continuously information communi-cated to the market. Study results revealed that stockholder's number insignificantly affected the earnings (EPS), book value (BVPS), and cash flow (CFPS) relevance relating to stock price. For EPS and BVPS, this unexpected outcome is conflicting with the results of Shamki and Alulis (2016). They found that companies with larger shareholders number, yield greater value relevance for per-share earnings and book value. For CFPS, the unexpected result may be clarified by that cash flows are not straightforwardly paid out as dividends, and managers are allowed by shareholders to retain cash which might be abused in unprofitable or negative projects (Jensen and Meckling, 1976; Zeitun et al., 2007).

Value Relevance and Company's Age

Hypothesis (2) states that there is a significant statistical influence of the company's age on the value relevance of EPS, BVPS, and CFPS. The influence of the company's age has been tested by Equations 3. Table 4 presents the regression results for the pooled sample with the influence of the company's age relative to the share price. Table 4 shows that the overall *R*-square is 0.647. The value infers that about 64.7% of the variation in share price is explained by the independent variables. The result shows that including the interaction of company age in the regression model adjusted R^2 (0.644) leads to stronger than that of adjusted R^2 (0.534) in Table 2. This increase in adjusted R^2 values is largely attributable to an increase in the effect of company age.

The coefficients on EPS ($\beta_2 = 0.037$) and on CFPS ($\beta_6 = 0.011$) are significant at 0.01 level whereas the coefficient on BVPS ($\beta_4 = 0.002$) is significant at 0.05 level and demonstrate the value relevance of accounting information (EPS, BVPS, and CFPS) in the absence of the impact of the company's age. However, the results show that the coefficient on the company's age ($\beta_1 = 0.357$) is significant at 0.01 level or better. This demonstrates that the company's age is value relevant in its right.

It is expected that earnings (EPS), book value (BVPS), and cash flow (CFPS) relevance is increased for companies that are older in age as it is hypothesized in H_{a2}. As per Grabowski and Mueller, (1975) valuation theory might be linked to the firm life cycle theory through the efficiency of the capital market operation. They claim that the younger, older, smaller, or bigger firms are likely to issue new equity or have high investment opportunities relative to cash flows, disclosing more relevant information could increase those opportunities. Study results revealed that the company's age insignificantly affected the earnings (EPS), book value (BVPS), and

Table 4. Company's Age and Accounting Information Relevance

$P = \beta_0 + \beta_1$ AGE $+ \beta_2$ EPS $+ \beta_3$ EPS* AGE $+ \beta_4$ BVPS $+ \beta_5$ BVPS* AGE $+ \beta_6$ CFPS $+ \beta_7$ CFPS* AGE $+ \beta_8$ SIZE $+ \beta_9$ LEVRG $+ e_{it}$				
Variables	**Coef.**	**Std. Error**	**t-Statistic**	**Prob.**
Constant	1.682*	0.371	4.536	0.000
AGE	0.974*	0.060	16.192	0.000
EPS	0.037*	0.004	10.384	0.000
EPS* AGE	0.004	0.004	0.998	0.318
BVPS	0.002**	0.001	2.361	0.018
BVPS* AGE	0.001	0.001	0.475	0.635
CFPS	0.011*	0.002	5.591	0.000
CFPS* AGE	-0.002	0.002	-1.076	0.282
SIZE	0.058*	0.019	3.076	0.002
LEVRG	-0.001	0.011	-0.082	0.934
R^2		0.647		
Adj.R^2		0.644		
F-statistics		257.021*		
P- Value		0.000		

Source: Annual Reports (2000-2017)
Notes: i) Date are derived from output on E-Views 10.0
ii) *; **; *** Significant at 1%; 5% and 10% levels respectively..
iii) Data have been compiled by researcher.

cash flow (CFPS) relevance relating to stock price. This unexpected outcome is conflicting with previous studies such as Black, 1998; Aharony et al., 2006 and Shamki and Alulis, 2016 (for earnings), Shamki and Alulis, 2016 (for book value), and Black, 1998 and Aharony et al., 2006 (for cash flow)

CONCLUSION

This study examined the influence of company-specific characteristics on the value relevance of accounting information for listed manufacturing firms in the Dhaka Stock Exchange, from 2000 to 2017. In this study, shareholder number and company's age are used as company-specific characteristics. Value-relevance of accounting information is measured by regressing stock price on earnings per share and book value per share and cash flow per share. Utilizing the fundamental Ohlson (1995) model, this paper finds that EPS, BVPS, and CFPS are values relevant to the share price. The logical intensity of the extended model also shows significant improvement when compared with the baseline regression model where the stock price is regressed on EPS, BVPS, and CFPS but fails the test of significance. The suggestion along these lines is that the company-specific characteristics have not brought about a more grounded relationship of accounting information and share price. This paper excluded firms in the financial sector because of the special regulations they are subjected to in Bangladesh. Again, the study used only secondary data. A study that uses both primary and secondary data may be more informative. Therefore, further research on the subject of this study should consider using both data sets. Further studies should also consider the effect of other company's characteristics on accounting information relevance. This might present new evidence regarding the possible companies' characteristics that could affect accounting information relevance. Researchers, who are interested in the area of research, are encouraged to expand the research period and sample size to determine their effects on the accounting information relevance. Finally, they are called to investigate the accounting information relevance of the world to validate the comparison between their expected results to generalize this study results.

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