

References

- Abarbanell, J. S. and B. J. Bushee (1997, Spring). Fundamental analysis, future earnings, and stock prices. *Journal of Accounting Research* 35(1), 1–24.
- Aboody, D. (1996). Recognition versus disclosure in the oil and gas industry. *Journal of Accounting Research* 34, 21–32.
- Amir, E. (1993, October). The market valuation of accounting information: the case of postretirement benefits other than pensions. *Accounting Review* 68(4), 703–724.
- Ball, R. and P. Brown (1968). An empirical evaluation of accounting income numbers. *Journal of Accounting Research* 6, 159–177.
- Banerjee, A. (1992, September). A simple model of herd behavior. *Quarterly Journal of Economics* 107(3), 797–817.
- Barbash, F. (2001). Hypothetically, pro forma may be a mirage. *Washington Post* 4/29/01, H01.
- Barberis, N. and M. Huang (2008, December). Stocks as lotteries: The implications of probability weighting for security prices. *American Economic Review* 95(5), 2066–2100.
- Bernard, V. L. and J. K. Thomas (1989). Post-earnings-announcement drift: Delayed price response or risk premium? *Journal of Accounting Research* 27, 1–36.
- Bhattacharya, N., E. L. Black, T. E. Christensen, and C. R. Larson (2003, December). Assessing the relative informativeness and permanence of pro forma earnings and gaap operating earnings. *Journal of Accounting and Economics* 36(1-3), 285–319.
- Bikhchandani, S., D. Hirshleifer, and I. Welch (1992, October). A theory of fads, fashion, custom, and cultural change as informational cascades. *Journal of Political Economy* 100(5), 992–1026.
- Bordalo, P., N. Gennaioli, and A. Shleifer (2012, August). Salience theory of choice under risk. *Quarterly Journal of Economics* 127(3), 1243–1285.
- Bradshaw, M. T. and R. G. Sloan (2002). GAAP versus the Street: An empirical assessment of two alternative definitions of earnings. *Journal of Accounting Research* 40(1), 41–66.
- Brown, L. D. and K. Sivakumar (2003, December). Comparing the value relevance of two operating income measures. *Review of Accounting Studies* 8(4), 561–572.
- Brunnermeier, M. K. and J. Parker (2005, September). Optimal expectations. *American Economic Review* 95(4), 1092–1118.
- Chevalier, J. and G. Ellison (1999, June). Are some mutual funds better than others? cross-sectional patterns in behavior and performance. *Journal of Finance* 54(3), 875–899.
- Cohen, L. and D. Lou (2012, May). Complicated firms. *Journal of Financial Economics* 104(2), 383–400.

- Daniel, K., D. Hirshleifer, and A. Subrahmanyam (1998, December). Investor psychology and security market under- and overreactions. *Journal of Finance* 53(6), 1839–1885.
- Daniel, K. D., D. Hirshleifer, and A. Subrahmanyam (2001, June). Overconfidence, arbitrage, and equilibrium asset pricing. *Journal of Finance* 56(3), 921–965.
- Daniel, K. D., D. Hirshleifer, and S. H. Teoh (2002, January). Investor psychology in capital markets: Evidence and policy implications. *Journal of Monetary Economics* 49(1), 139–209.
- DeMarzo, P., D. Vayanos, and J. Zwiebel (2003). Persuasion bias, social influence, and uni-dimensional opinions. *Quarterly Journal of Economics* 118, 909–968.
- Doyle, J. T., R. J. Lundholm, and M. T. Soliman (2003, June-September). The predictive value of expenses excluded from 'pro forma' earnings. *Review of Accounting Studies* 8(2-3), 145–174.
- Eyster, E. and M. Rabin (2010, November). Naïve herding in rich-information settings. *American Economic Journal: Microeconomics* 2(4), 221–243.
- Fiske, S. T. (1995). Social cognition. In A. Tesser (Ed.), *Advanced Social Psychology*, Chapter 5, pp. 149–194. New York, NY: McGraw-Hill.
- Fiske, S. T. and S. Taylor (1991). Social encoding: Attention and consciousness. In *Social Cognition* (2nd ed.), Chapter 7, pp. 243–294. New York, NY: McGraw-Hill.
- Hirshleifer, D., S. S. Lim, and S. H. Teoh (2008, December). Disclosure to an audience with limited attention. Working paper, Merage Business School, UC Irvine.
- Huberman, G. and T. Regev (2001, February). Contagious speculation and a cure for cancer. *Journal of Finance* 56(1), 387–396.
- Kahneman, D. (1973). *Attention and Effort*. Englewood Cliffs, New Jersey: Prentice-Hall.
- Kaustia, M. and S. Knüpfer (2012, May). Peer performance and stock market entry. *Journal of Financial Economics* 104(2), 321–338.
- Klibanoff, P., O. Lamont, and T. A. Wizman (1998, April). Investor reaction to salient news in closed-end country funds. *Journal of Finance* 53(2), 673–699.
- Kruschke, J. K. and M. K. Johansen (1999, September). A model of probabilistic category learning. *Journal of Experimental Psychology: Learning, Memory, and Cognition* 25(5), 1083–1119.
- Libby, R., R. Bloomfield, and M. W. Nelson (2002, November). Experimental research in financial accounting. *Accounting, Organizations and Society* 27(8), 775–810.
- Lougee, B. A. and C. A. Marquardt (2004, July). Earnings informativeness and strategic disclosure: An empirical examination of 'pro-forma' net income. *Accounting Review* 79(3), 769–796.
- Nisbett, R. and L. Ross (1980). *Human Inference: Strategies and Shortcomings of Social Judgment*. Englewood Cliffs, NJ: Prentice-Hall.

- Payne, J., J. Bettman, and E. Johnson (1993). *The Adaptive Decisionmaker* (1st ed.). Oxford, U.K.: Cambridge University Press.
- Peng, L. and W. Xiong (2006). Investor attention, overconfidence and category learning. *Journal of Financial Economics* 80(3), 563–602.
- Pincus, M., S. Rajgopal, and M. Venkatachalam (2007). The accrual anomaly: International evidence. *Accounting Review* 82(1), 169–203.
- Rashes, M. S. (2001, October). Massively confused investors making conspicuously ignorant choices (MCI - MCIC). *Journal of Finance* 56(5), 1911–1927.
- Sirri, E. R. and P. Tufano (1998, October). Costly search and mutual fund flows. *Journal of Finance* 53(5), 1589–1622.
- Sloan, R. (1996, July). Do stock prices fully reflect information in accruals and cash flows about future earnings? *Accounting Review* 71(3), 289–315.
- Slovic, P. (1972, April). From Shakespeare to Simon: Speculations—and some evidence—about man’s ability to process information. *Oregon Research Institute Research Monograph* 12(2).
- Teoh, S. H., I. Welch, and T. J. Wong (1998a, December). Earnings management and the long-term market performance of initial public offerings. *Journal of Finance* 53(6), 1935–1974.
- Teoh, S. H., I. Welch, and T. J. Wong (1998b, October). Earnings management and the underperformance of seasoned equity offerings. *Journal of Financial Economics* 50(1), 63–99.
- Teoh, S. H. and T. J. Wong (2002, Summer). Why do new issues and high accrual firms underperform? The role of analysts’ credulity. *Review of Financial Studies* 15(3), 869–900.
- Teoh, S. H., T. J. Wong, and G. Rao (1998). Are accruals during an initial public offering opportunistic? *Review of Accounting Studies* 3(1-2), 175–208.
- Tversky, A. and D. Kahneman (1973, September). Availability: A heuristic for judging frequency and probability. *Cognitive Psychology* 5(2), 207–232.