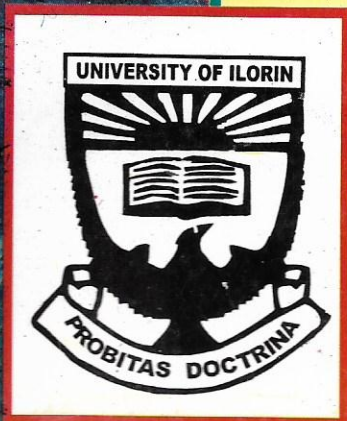




Volume 9, Number 1, 2011

ADVANCES IN MANAGEMENT

*A Publication of
The Department of Business Administration;
University of Ilorin, Ilorin, Nigeria.*

EDITORIAL TEAM

Editor-in-Chief

Prof. Jackson O. Olujide

University of Ilorin, Ilorin.

Deputy Editor-in-Chief:

Prof. (Mrs.) S. L. Adeyemi

University of Ilorin, Ilorin.

Associate Editors:

Prof. I. O. Taiwo

University of Ilorin, Ilorin.

Prof. P. H. Oribabor

Bowen University.

Prof. S.A. Adelola

Babcock University

Dr. S.O. Oni

Fed. University of Tech. Minna

Prof. S.O. Otokiti

Landmark University Omuaran

Dr. Adepoju Adeleke

Redeemers University

Dr. R.A. Olowe

University of Lagos

Prof. M.L. Nassir

Obafemi Awolowo University

Dr. K. S. Adeyemi

Covenant University

Prof. David Irifin

University of Maiduguri

Dr. G.K. Olorunleke

Adekunle Ajasin University, Ondo State.

Prof. Ayodele Jimoh

University of Ilorin, Ilorin.

Business Manager:

Dr. J. A. Bamiduro

University of Ilorin, Ilorin.

CONTENT

	Page
1. Quality Factors Predictive of Patronage of Fast Food Retail Outlets in Southwestern Nigeria. — Dr. Tolutope O. Fakokunde	1
2. Financial Prudence in Government: A Comparative Evaluation of State and Local Governments In Nigeria — Olaoye, Festus Oladipupo	12
3. An Evaluation Of Customer Satisfaction In Nigerian Banks — Ihinmoyan Timothy	21
4. Manpower Training and Development as a Veritable Tool of improving Employees' Performance — Aremu, Nuha Salihu	41
5. Assessment Of Leadership Style On Productivity Of Nigerian Workers — Mrs. Aremu, Moriam Adeyemi	53
6. The Relevance of Transportation Model for Effective Decision making in the Nigerian Bottling Company - A Study of Abuja and Kaduna Plants. — Ekpunobi, Grace Ngozi	70
7. Education: An Untapped Resource to Combat Climate Change in Nigeria — Etejere, P.A.O	84
8. Education and the Empirics of Economic growth in Nigeria 1980-2006 — Sam S. Enimola	93
9. Application Of Total Quality Management (TQM) In Health Care Systems: Implication On Patient's Satisfaction In Kwara State Specialist Hospitals. Adeoti J. Olabode, Lawal A. Ishola & Tsado Emmanuel	106
10. Assessing the effect of Environmental factors on the Performance of Depressed Textile Manufacturing Firms In Kaduna State. — Mustapha Yusuf Ismaila & Mrs. G.N. Ekpunobi	114
11. Measuring Advertisement as a Strategy for sales improvement of MTN Nigeria Services: An Empirical Consideration Of Consumer's Perspective — Adebisi, Sunday Abayomi	128
12. The Effect of Financial Statements on the Economic decisions of primary Stakeholders in Nigerian Banks — Abdulkadir R.I., Aliu, O.A. & Salam M.O.	142
13. Repositioning the Tertiary Institutions in Nigeria toward Greater Productivity and Economic Empowerment — Akpan, Sunday John	154

THE EFFECT OF FINANCIAL STATEMENTS ON THE ECONOMIC DECISIONS OF PRIMARY STAKEHOLDERS IN NIGERIAN BANKS

ABDULKADIR, R.I.

Department of Accounting and Finance University of Ilorin, Ilorin, Nigeria.
riolaq29@yahoo.com

ALIU, O.A.

Department of Accounting and Finance University of Ilorin, Ilorin, Nigeria.
alirawa@yahoo.com,

SALAM, M.O.

Department of Accounting and Finance University of Ilorin, Ilorin, Nigeria.
salamudathir@yahoo.com.

ABSTRACT

The major objective of accounting is to provide information for decision making to various users. Such information can be obtained from the financial statements of organizations. This study provides empirical evidence on the impact of the information contained in the financial statements on the economic decisions of selected primary stakeholders in Nigerian banks. The four banks chosen for the study include United Bank for Africa, First Bank, Guaranty Trust Bank and Diamond Bank. Also, three user groups namely shareholders, employees and depositors were surveyed in the study. The data for the study was collected from a questionnaire distributed to two hundred and forty respondents. Percentages, Z-score statistical test and ANOVA were used to analyze the data gathered for the study. The results of the analysis shows that the primary stakeholders lack the ability to analyze information contained in the financial statements and also reveal further that the stakeholders do not base their economic decisions on the evaluation of the banks' financial statements. The study therefore concludes that the financial statements have no significant impact on the economic decisions of primary stakeholders of the banks. Based on this, the study recommends amongst others that regulatory bodies and Nigerian banks should organize educative sessions at intervals for stakeholders to enlighten them on the importance of financial reporting to their economic decision making and to guide them on how to read and analyze information contained in the

ADVANCES IN MANAGEMENT

Vol. 9, No. 1 (2011)

(A Journal of Department of Business Administration, University of Ilorin, Ilorin)

financial statements.

INTRODUCTION

Accounting information is the most basic input into any informed economic decision (Akintoye, 2008). Accuracy of decision therefore will be dependent on decision making knowledge and understanding of economic information provided in the accounts.

The health of an organization can properly be assessed from its financial position as recorded in the reports. These reports contain financial statements that reports on the organization's business in monetary terms. These statements tell how the business is performing and where it stands. Brown and Kennelly (1972) confirmed that financial statements have information content that has value to users of the statements. The value includes the ability to use financial statements to predict the performance of companies. (Abdel-khalik and Espejo, 1978; Kintidi, Magembe and Sethibe, 2007). Kintidi, Magembe and Sethibe (2007) argued further that financial statements are considered an important means not only for gauging the performance of the entity but also for understanding how money invested in the entities has been used and for enabling those interested in the entities to make pertinent decisions. Also Beattie and Jones (2000); Seagers and Kohut (2001) agreed that information in corporate annual report can be used to influence the shareholders and other readers impression of company performance.

The essence of preparing financial statements is to allow users understand the information provided therein so that they can use it to measure the performance of the enterprise and make relevant economic decisions. This implies that when financial statements have not been prepared, it may be difficult to measure the performance of a business and to tell at a particular year whether the performance has improved or not from those of previous years. Also it is assumed by enterprises that most stakeholders use these report to make economic decisions. Such economic decisions include selecting companies in which they will invest their resources or deciding whether to continue patronizing products/services of a particular firm or not. The question however is, are they really able to use it for that purpose? The major problem at hand is that even when financial statements have been prepared, so many users (stakeholders) cannot use it to make decisions. Kremer (2009) stated that many non-financial people do not really use financial information because it is generally presented in financial fragments, the dots are not connected and so the cause-and-effect relationships are not obvious. This is because stakeholders may not have financial literacy. Blue Ribbon Committee (1999) described financial literacy as the ability to read and understand basic financial statements. Also, even when these stakeholders are financially literate, they may not base their economic decisions on the evaluation of the company from the financial statements. The implication of this is that information given in the

financial statements may have no impact on the stakeholders as they may not use it to make relevant decisions.

It is as a result of this that this study seeks to ascertain whether the published financial statements of the selected banks have any impact on the economic decisions of the primary stakeholders. In achieving this objective, the study raises the research questions below

- ♦ What is the ability of the Primary Stakeholders in reading and understanding the financial statements of their banks?
- ♦ Do Primary Stakeholders of the selected banks use information from financial statements to evaluate the financial performance of their banks?
- ♦ What effect does financial information have on the decision making of primary stakeholders in banks?

The study also puts forward two hypotheses to further aid in achieving the objective stated above

Ho₁: The financial statements have no significant impact on the economic decisions of the Primary Stakeholders in Nigerian Banks.

Ho₂: There is no significant difference in how financial statements impact on the decision making of the different stakeholders.

CONCEPTUAL CLARIFICATION AND LITERATURE REVIEW

Several authors have given their own definitions of what financial statement means. Meigs, Bettner and Whittington (1981) described financial statement as the end product of the accounting process which conveys to management and to interested outsiders a concise picture of the profitability and financial position of a business. According to them, the statements summarize the thousands or even millions of transactions recorded during the year in the company's accounting system.

According to Kieso and Weygandt (1982) financial statement is the principal means through which financial information is communicated to those inside an enterprise. Vanhome (1990) also gave a similar definition of financial statement as the documents that reports on an individual's or an organization's business in monetary amounts.

Financial statement tells a complete story of the business activity over a period of time or of business conditions at a given moment of time (Pandey, 2004). Ajayi (2007) also defined financial statements as the accounting reports in respect of the economic activities of an enterprise prepared periodically and usually at the end of every financial year.

The different definitions given by different authors above converge. From these definitions, we can describe financial statement as containing summarized

information of the firm's financial affairs organized systematically. These financial statements are prepared as general information models of the enterprise at regular periods, normally each year.

Financial statements vary according to the specialization in the operations of the company involved. The Specific disclosures in the financial statements of companies are contained in the provisions of sections 331-356 and schedules 2 & 3 of CAMA No 1 of 1990, as amended. The SAS No 2 issued by the Nigerian accounting standard board (NASB) and Section 334 of CAMA 1990 had required that financial statements covering periods beginning on or after 1st January 1985 should include the following components: Statement of accounting policies; Balance Sheet; Profit & Loss Account; Notes on the accounts; Statement of source and application of funds; Value added statement; Five year financial summary. All these information are usually published in hard copies until the emergence of internet financial reporting.

The stakeholder concept is a concept that gives a wider range of a firm's objectives. The concept was developed by Edward Freeman in the 1980's. This concept have replaced the shareholder concept in setting business objectives. Also, the concept is based on the fact that organizations do not exist in isolation, rather it operates in a network of relationships with other organizations, groups and individuals (Gysels, Hughes, Aspinall, Julia and Higginson, 2004). Traditionally, the objective of the firm is profit maximization (i.e. maximizing shareholders wealth). Then, the shareholder is the sole stakeholder in a corporation but in recent years, it has been recognized that business organizations are not only affected by shareholders but also affected by the 'environment' in which they operate. This implies that the decisions made by the business are likely to affect one or more 'stakeholder groups'. Stakeholders have been defined in different ways by different scholars.

MacDonald (2003) defined stakeholders as those groups who have a stake in or claim on the firm. According to Steinberg (1999), a stakeholder is a person or community that is regarded as having a legitimate interest in something. Also, stakeholder has been defined in wikipedia (free encyclopedia) as a party who affects or can be affected by the company's actions. The Stanford research institute (1963) also defines stakeholder as those group on which the organization is dependent for its continued survival. The most acceptable which is in line with all the previous definitions given is the definition given by Freeman (1984). He defines stakeholder as 'any group or individual who can affect or is affected by the achievement of the firm's objectives.

Post, Preston & Sachs (2002) categorized the stakeholders of a business into two via;

— **Primary Stakeholders:** are those that have a direct stake in the organization and its success.

— **Secondary Stakeholders:** are those that have a public or special interest in the organization.

Finally, MacDonald (2003) observed in his study that the stakeholder concept involves a re-interpretation of the social role of business and a move away from the traditional view that the only proper function of corporate leaders is to increase the wealth of shareholders. The essence of introducing the concept is to serve as a counterpoint to the claim that an organization is responsible only to its shareholders. Therefore, the importance of the ' stakeholder concept 'cannot be over-emphasized as it is only by considering the needs of all stakeholders that a corporation can succeed and can be seen to be ethically and socially responsible.

Empirical Evidences on Relevance of Financial Statements to Stakeholder's Decision Making.

There have been a number of academic surveys on the information which stakeholders need from financial reporting. From most of these works, reporting on financial performance seems to be the priority. Although Investors and other stakeholders have begin to give so much importance to social and environmental performance but this is usually ranked after the financial performance of corporations. Epstein and Freedman (1994) conducted a survey of 246 US shareholders. They observed that when asked what type of information shareholders would prefer companies to disclose more of, at the top of their list was economic performance (i.e. traditional reports), and followed by social disclosure.

Deegan and Rankin (1997) also carried out a survey of 60 Australian stakeholders. He found out that financial analysts did not consider environmental information to be very important in their investment analysis. They observed that analysts focus on financial criteria and perceive environmental issues to lack identifiable financial consequences, hi the same study, six Australian financial institutions were also asked to rate the materiality of environmental information in their decision making, 66% of the managers considered environmental information and any other kind of information as less important than the financial information.

Chua (2006) also confirmed the relevance of financial information in his studies. He concluded that although companies seek greater disclosure of social information to meet the demands of stakeholders but these stakeholders remain somewhat sceptical of such information as they think such information is usually incomplete, bias and incomparable.

All the findings discussed earlier are consistent with the results of Buzby & Falk (1978) who also carried out an empirical study on the information needs of stakeholders. They studied 102 United States mutual funds president. They found out that the relative importance of most social items was significantly lower man mat of financial items of information.

Therefore one can conclude that financial information remains the most important information need of the stakeholders. For such information to guide the economic decisions of stakeholders, it is important that the information should be of good quality. As cited in Akintoye (2008), there are two major criteria for determining the quality of information provided through financial reporting. These are the adequacy and the relevance of such information. The adequacy can be determined by comparing the information disclosed with what is required by the standards guiding such disclosure. Also, information provided through financial reports cannot be regarded as being adequate if it does not satisfy the peculiarities of the environment in which the organization operates.

An item of information is relevant only if it can be associated with the action it is designed to facilitate (A.A.A, 1966) i.e. the information should be capable of influencing the actions of the decision maker. Akintoye (2009) also states that disclosure of non-relevant information will not only result in wasteful expenditure but would also impair accurate projection of future state of affairs leading to misallocation of scarce resources.

Also, having accounting information that will be of good quality implies that the reports should be made more informative for better economic decisions to be made. This is evidenced in the empirical study carried out by Akintoye (2009). He employed a total number of 50 companies quoted on the Nigerian stock exchange to find out how investment decisions could be optimized through informative accounting report. His study revealed that the current level of adequacy of accounting information made available for potential and existing investors requires significant improvement.

Though there are several characteristics that are common to these information needs of stakeholders, but according to Kenneth and Bowsher (1987), the very diversity of the financial information needs of these direct users requires that financial reports be organized to provide maximum flexibility in the use of the information presented. Bosso and Hague (2006) also suggested that information should meet the needs of a wide group of users. Finally, Troberg and Ekholm (1995) carried out a critical review on whether there are differences in user needs regarding economic information about an enterprise. They came up with the conclusion that although stakeholders use information in financial reports in order to satisfy some of their different needs, of information, but in the actual sense, it is extent of information that actually differs among users and not the nature of information. They contended further that information for one type of user is likely to be relevant also for another type of user.

With respect to the usefulness of such information for decision making, Kintidi, Magembe, and Sethibe (2007) conducted a survey with a view to identifying the information needs of lenders of business entities in Botswana and whether lenders in Botswana use corporate annual report information when making lending

decisions. In doing this, the study employed a sample of twenty lenders (banks) from Gaborone (the capital city of Botswana) and questionnaires were distributed to these lenders. The findings of the study revealed that financial statements are required by these lenders in making their lending decisions and that these lenders make use of income statement than other components of the financial statements when making decisions.

Also, Naser, Nuseibeh and Al-Hussaini (2003) carried out a study to provide evidence on the usefulness of different aspects of annual reports to various Kuwaiti user groups. The study surveyed individual investors, institutional investors, government officials, financial analysts, academics, auditors and stock market brokers. The findings of the study revealed that the user groups surveyed rely mainly on the information made directly available by the company and do not consult intermediary sources of corporate information in order to make informative decisions.

Most empirical studies on the usefulness of information in financial statements for decision making have been carried out outside Nigeria. Studies on financial statements in Nigeria concentrate on how information from financial statements can be used to measure performance of companies, on the disclosure practices of reporting companies and on the quality of accounting information. This is confirmed by Abayo (1992) that research in Africa on accounting information has focused on disclosure practices. There has been no significant improvement since then. This study therefore follows the trend of the last two empirical works identified (Kintidi et.al, 2007 and Naser et. al, (2003) but their own studies too have only analyzed how useful such information is to users without examining whether this users actually have the means to read and understand the information contained in the financial statements.

This creates a gap in the literature that needs to be filled as there is a need to ascertain whether the users have the ability to make use of information from financial statements before analyzing whether such information affects their decisions or not about the enterprise.

METHODOLOGY

This study adopts the survey research method. The study primarily examines the impact of information contained in the financial statements on the economic decisions of the primary stakeholders. The population of the study consists of all the primary stakeholders of the selected commercial banks. However, the study is limited to three categories of these primary stakeholders which include shareholders, depositors and employees.

Although the population of the study consists of the stakeholders of all the commercial banks listed on the floor of the Nigerian Stock Exchange, but samples were drawn from four of these banks namely United Bank for Africa, First Bank,

Guaranty Trust Bank and Diamond Bank. In order to achieve this, questionnaires were designed and distributed to different primary stakeholders to elicit information on their understanding and use of the financial statements for decision making. The responses gathered were analyzed using descriptive method of analysis. Also, inferential statistics has been used as inferences were drawn from the statistical technique used to test the hypothesis formulated. The first hypothesis for this study was tested using the Z-score statistical test. The degree of freedom adopted in the study is (n-1) at an alpha level of 5%. The formula for the test is as stated below:

$$Z = \frac{\bar{x} - \mu}{\frac{\sigma}{\sqrt{n}}}$$

Where $\bar{x}$ = sample mean

μ = Population mean

σ = Population standard deviation

n = Sample size

Also the One-way ANOVA has been used in testing the second hypothesis for the study. All analyses have been carried out mainly through the use of statistical package for social sciences (SPSS, version 14).

The study sampled two hundred and forty (240) shareholders from these four banks. Questionnaires were distributed to three categories of primary stakeholders of the Banks. In each bank, 20 questionnaires were distributed to the employees, 20 questionnaires were distributed to the customers and another 20 questionnaires were distributed to the shareholders. Also, the questionnaires were distributed in person to minimize the risk of non-response.

The Simple random sampling method was used to select the banks. This method is preferred to ensure that each of these Banks have an equal chance of been selected. In carrying out the random selection, it was ensured that banks that were affected in the last bank examination conducted by the Central Bank of Nigeria were not included. From each of the banks selected, Convenience Sampling method has been used to select the target stakeholders. Percentages and descriptive method of analysis is adopted in analyzing the data.

DISCUSSION OF FINDINGS AND INTERPRETATION OF RESULTS

All the questionnaires were administered in person to avoid non-response and were used for this analysis. The result of the study shows that only 41.7% of the respondents have the ability to read and understand the financial statements by themselves while 58.3% cannot. This implies that a large proportion of the respondents cannot analyze the information obtained from the reports. This could

also be due to the fact that many of the respondents lack financial literacy. Also, 62% of the respondents accepted that they do not use the information contained in the financial statements to evaluate the firm's performance.

In order to examine whether the financial information obtained from evaluation of the statements have any effect on the decision making of primary stakeholders, respondents were asked whether they make decisions based on their evaluation of the bank's performance from the statements. The result shows that 60.8% of the respondents do not make decisions about their banks based on the evaluation of the bank from the financial statements. This could be as a result of the lack of knowledge on the importance of using the information contained in the financial statements for decision making.

To complement the research question raised in achieving the objective, the first hypothesis was formulated as:

H₀: The financial statements have no significant impact on the economic decisions of the Primary Stakeholders in Nigerian Banks.

The test was also carried out at an alpha level, of 5% and the decision rule is to reject the null hypothesis if $P\text{-value} < \alpha = 0.05$, otherwise accept, H₀. Bluman (2001) stated that besides listing an α value; many computer statistical packages give a P-value for hypothesis testing and the result is shown in table below:

Table 1: Z- Score Test on Impact of Financial Statement on Decision Making

	95% Confidence				
	Z	Df	Sig. (two-tailed)	Mean Difference	Interval of the Difference
					Lower Upper
Impact On Decision Making	-1.320	239	.188	-.04167	-.1039 .0205

Source: Field Survey 2010

From table 1 above, since P-value which is $0.188 > \alpha = 0.05$, null hypothesis was accepted. It means that the financial statements of the banks have no significant impact on the economic decisions of the primary stakeholders.

The findings from the hypothesis tested above can also be attributed to the fact that primary stakeholders do not make economic decisions about the bank based on the evaluation of the bank from the financial statements. This could be as a result of the lack of knowledge on the importance of using information contained in the financial statements for decision making.

The findings of this hypothesis does not appear to support the findings of Naser *et al* (2003) and Kintidi *et al* (2007) which found that information in financial statements have effect on the economic decisions of the stakeholders surveyed as they make informative economic decisions mainly from information made directly available by the company in the financial statements.

Difference in Impact of Financial Statements on Decision Making of the Different Stakeholders.

The second hypothesis was tested to ascertain whether there is a significant difference in how the financial statements impact on the decision making of the different stakeholder groups. The hypothesis was stated as:

H_0 : There is no significant difference in how financial statements impact on the decision making of the different stakeholders.

The hypothesis was tested through the use of the One-way ANOVA and the result is depicted in table n below.

Table II: ANOVA Test on Difference of Impact on Stakeholders

	Sum Of Squares	Df	Mean Square	F	Sig.
Between Groups	1.103	2	.551	2.330	.100
Within Groups	56.081	237	.237		
Total	57.183	239			

Source: Field Survey, 2010

From table 4.13 above, since the P-value which is $0.100 > \alpha=0.05$, null hypothesis was accepted. This implies that there is no significant difference in how the information contained in the financial statements impact on the economic decisions of the different stakeholder groups.

SUMMARY, CONCLUSION AND RECOMMENDATION

Literature review shows that most studies carried out on financial reporting in Nigeria focused on how information obtained from financial statements can be used to evaluate the performance of organizations and on the disclosure practices of firms in drawing up financial statements. No particular attention has been paid to whether stakeholders of this firm understand and make use of such information when making economic decisions. In order to fill this gap, this research work examined how the information contained in the financial statements impact on the economic decisions of the selected stakeholders.

In carrying out the research, the study employed the use of questionnaires to elicit necessary information for the analysis and interpretation of primary data. In all, questionnaires were administered on two hundred and forty stakeholders. Four hypotheses were tested in the study and the four null hypotheses tested were accepted. The following conclusions have been drawn based on the findings of the research work discussed above:

- ♦ Primary stakeholders though literate as evidenced by the demographic result on the educational qualification of respondents but many of them still lack financial literacy as they cannot read and understand the financial statements by themselves.

- ♦ Information in the financial statements of banks is not used by the primary stakeholders in determining the financial performance of the banks.
- ♦ The financial statements does not have significant effect on the economic decisions which primary stakeholders make as regards their banks as the stakeholders do not make decisions based on the evaluation of the banks from such reports. Based on the findings from the research carried, the following recommendations are put forward:
- ♦ Banks and other organizations should adopt the use of internet financial reporting for a wider access to their reports. Also, regulatory bodies should assist to ensure security of information placed by banks on the internet so that stakeholders can place reliance on such reports.
- ♦ The Regulatory bodies should educate the primary stakeholders on the importance of studying the financial statements of their banks.
- ♦ The Regulatory bodies as well as the banks should also organize educative sessions at intervals for stakeholders to enlighten them on the importance of financial reporting to the economic decision making and to guide them on how to read and analyze information contained in the financial statements.
- ♦ The Banks can further enhance understanding of the financial statements by describing what will be beneficial to each reader category.
- ♦ Although it is too late to make changes that can affect the past financial statements, but the company should try to use the information obtained on the understandability by users to correct areas of difficulty for future reports.
- ♦ The Banks should seek for feedback from the stakeholders on their understanding of the information contained in the financial statements.

REFERENCES

- Abayo, A.G. (1992): "Images of Corporate disclosure practices in Tanzania", *The Accountant*, National Board Accountants, Auditors, Tanzania, 5: 23-30.
- Abdel-Khalik, A. and Espejo, J. (1978): "Expectations data and the predictive Value of Interim Accounting", *Journal of Accounting Research*, 16:1-13
- Ajayi, C (2007): *Accounts of Banks & Insurance Companies*, Lagos, Pumark Publishers Ltd.
- Akintoye, I. (2008): "Optimizing Investment Decisions through Informative Accounting Reporting", *European Journal of Social Sciences*, Vol 7, No 3. pg 178-191.
- Beattie, V.A, and Jones, M.J (2000): "Changing graph use in corporate annual reports: A time series analysis", *Contemporary Accounting Research*, 17: 213 -216.
- Bluman, A.G. (2001): "Elementary Statistics: A step by step approach", McGraw-Hill companies", 4th ed, North America, United States.
- Brown, P. and Kennelly, J.W (1972): "The Information content of quarterly earnings", *Journal of Accountancy*, 136:64-69.
- Buzby, S.L and Falk, H (1978): "A survey of the interest in social responsibility information by

- mutual funds", *Accounting, Organizations & Society*, Vol 3, No 3-4, pp 191-201.
- Chua, F. (2006): "Extended Performance Reporting: A Review of Empirical Studies", *Journal of Institute of Chartered Accountants in Australia*, University of South Wales, Sydney.
- Deegan, C and Rankin, M (1997): "The Materiality of Environmental Information to users of annual reports", *Journal of Accounting, Auditing & Accountability*, Vol 10, No 4. pp 562-583
- Epstein, M. and Freedman, M. (1994): "Social Disclosure and the Individual Investor", *Accounting, Auditing & Accountability Journal*. Vol 7, No 4, pg 94-109
- Freeman, R. (1984): *Strategic Management: A stakeholder Approach*. Boston. Pitman
- Gysels M, Hughes R, Aspinal F, Julia M, and Higginson J (2004): "What Methods do Stakeholders prefer for feeding back performance data: a qualitative study in palliative care", *International Journal for Quality in health care*, International Society for Quality in health care & Oxford University Press, Vol 16, No 5.
- Kieso, E. and Weygandt, J (1982): "Intermediate Accounting" 3rd ed. John Wiley & Sons.
- Kintidi, E.G, Magembe, B.A.S and Sethibe, A. (2007): "Lending Decision making and Financial Information: The usefulness of Corporate Annual Reports to lenders in Botswana". *The International Journal of Applied Economics and Finance*. Asian Network for Scientific Information. 1(2) 55-66
- Kremer, C. (2009): The lack of Financial Literacy as a handicap to making money. *Financial Scoreboard Library*. Performance Management International Inc. & Holisys Ltd.
- MacDonald, C (2003): *The Stakeholders Concept in Biotechnology* @ <http://www.google.com>.
- Meigs, B., Bettner and Whittington (1981) *Accounting: The Basis for Business Decisions*. 10th ed. U.S. A, McGraw-Hill Companies,
- Naser, K.R, Nuseibah, R, and Al-Hussaini, A. (2003): "Users perception of various aspects of Kuwaiti Corporate reporting", *Management Auditing Journal*, 18: 599-617.
- Pandey, I.M. (2004): *Financial Management*, (7th ed.) India: VIKAS Publishing House PVT Ltd
- Post, Preston and Sachs (2002): *Redefining the Corporation: Stakeholder Management and Organizational Wealth*. Stanford University Press. [http://en.wikipedia.org/wiki/stakeholder \(corporate\)](http://en.wikipedia.org/wiki/stakeholder_corporate)
- Seagers, A.H and Kohut, G.F (2001): "Strategic Communication through the world wide web: An empirical model of effectiveness in the CEO's letter to Shareholders", *Journal of Management studies*, 38:535-556
- Sternberg, E(1999): *The Stakeholders Concept: A Mistaken Doctrine*. Foundation for Business Responsibilities. Issue Paper No 4.