



INTERNATIONAL JOURNAL OF RESEARCH IN COMMERCE AND MANAGEMENT

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CORPORATE DISCLOSURE PRACTICES V/S INVESTOR'S REQUIREMENTS-A STUDY

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ABSTRACT

Corporate Disclosure is a process through which a business enterprise communicates with the external parties. Several new developments are taking place in the contexts and extent of information disclosed in corporate reports. To survive in this global village, it is imperative that companies strengthen the vital pillar of the edifice- Annual Corporate Reporting. Generally, three concepts have been proposed for disclosure and they are adequacy, fairness and full disclosure. There has always been a difference of opinion between company management and the users of financial statements over relevance of adequacy or otherwise of financial disclosure in the company reports. This study aims at finding out the views and requirements of the investor's v/s information disclosed by companies in their annual reports. Further, it intends to find out the adequacy or otherwise of the present reporting practices. For studying investor's viewpoint regarding disclosure practices, a survey of 200 investors from various parts of the country has been conducted including 80 investors who do not read corporate reports. Investors have been selected by using judgment as well as convenience sampling methods. Information disclosed by investors through responses in questionnaires has been analyzed by using suitable statistical techniques. The study of analysis of investors reveal that there exists some 'information gap' between the data that companies release externally, and what the investors wants and needs to know. To bridge this gap, we propose a forward-looking corporate reporting approach that focuses on open communication with shareholders and stakeholders, thus broadening the scope of corporate reports. For these forward-looking companies that will implement this measure to close the information gap, the key benefits will be- better management credibility, and the increased ability to secure long term investors rather than speculators.

KEY WORDS

Corporate Disclosure, information gap, forward looking approach, credibility.

INTRODUCTION

Accounting has evolved and emerged, as have medicine, law, and most other fields of human activity, in response to the social and economic needs of society. The new developments are taking place in the contexts and extent of information disclosed in corporate reports. The fundamental objective of the information system is to communicate the information regarding the position and performance of an entity to the readers. Sharing in-depth information about the company helps it to build a strong structure, allowing for a more customer and investor-friendly image. Further, the advent of globalization and liberalization is likely to influence the corporate disclosure levels of the Indian Companies. As India too treads the path of globalization, perceptible changes are underway in the Indian Corporate houses as also the world over in the realm of contemporary corporate reporting, adding new vistas and dimensions to the disclosure and reporting practices. With a borderless world, global competitiveness has come to stay. To survive in this global village, it is imperative that companies strengthen the vital pillar of the edifice- Annual Corporate Reporting. Adoption of candid disclosure practices by companies in India is expected to give them the much needed strength. Obviously, global business calls for the adoption of global reporting practices. These days there has been much emphasis on global accounting standards. Corporate Disclosure is a process of reporting of accounting information of an entity to a user or a group of users. It signifies a total communication system between the corporation and its interested constituents. So, corporate reporting is nothing but the communication of financial information of the activities of the undertaking to the interested parties for facilitating their economic decisions. Generally, three concepts have been proposed for disclosure and they are adequacy, fairness and full disclosure. The most commonly used concept is adequacy; and it implies that all material information needed by the users of the financial statements and reports should be included in such financial statements and reports i.e. it should be adequate to the need of the users. The adequacy of the information can be tested when it is reported outside the organization, but when reported inside the organization, the adequacy of the disclosure cannot be tested accurately as there is no test to measure it. Another difficulty is that the needs of the users are different from user to user, and as a result, adequacy can be obtained only to a certain extent. The concept of 'fair disclosure' implies that all users of the information should be treated alike, in preparing the financial statements and reports, and the concept of 'full disclosure' implies that all relevant information of the financial activities of the business enterprise is presented in the financial reports.

NEED AND OBJECTIVES OF THE STUDY

The subject of corporate reporting has become very interesting and challenging due to the growth of the company form of organization. The Companies differ with regard to their corporate reporting practices. There has always been a difference of opinion between company

management and the users of financial statements over relevance of adequacy or otherwise of financial disclosure in the company reports. The users contend that the companies usually fail to provide them with all the information they need for making sound investment decisions. The companies plead that their annual reports contain not only the relevant information which is required by law for the benefit of external users but also a lot more relevant information which is beneficial to external users, more specifically, the shareholders. A number of studies have been conducted on the corporate reporting practices in the country. These studies have examined the adequacy of corporate reporting in annual reports; analyzed the financial reporting practices; financial and non-financial disclosure in the annual reports; relationship between quality of disclosure and various characteristics of the companies; the relevance of corporate annual reports in providing information to the shareholders; identification of the main determinants which affect the level of corporate reporting etc. The analysis of review of literature reveals that a little attempt has been made to assess the views of investors regarding corporate disclosure. The present study intends to study the investor's viewpoint regarding the items of disclosure in the annual reports and their requirements of disclosure for decision making. Further, it intends to find out the adequacy or otherwise of the present reporting practices from their point of view, to find out the areas of agreement and disagreement between investor's requirements and disclosure practices, and to make suggestions to improve financial reporting and disclosure practices. Therefore, it is in this context that the need was felt to study these areas and draw relevant conclusions from the study.

HYPOTHESES OF THE STUDY

The study has formulated and tested the following hypotheses:

1. Investor's preference to purpose of investment is uniform, and not significantly associated with their demographic profile.
2. Investor's preference to sources of information is uniform, and not significantly associated with their demographic profile.
3. Investor's disclosure requirements not differ significantly.

RESEARCH DESIGN

The study is descriptive in nature. In this case the researcher has no control over the variables. He can only report what has happened or what is happening. In the present study, the information is being collected from the investors by using a pre-tested and structured questionnaire. Consistent with broad objectives of the study, all the relevant information which could be available have been collected. For studying investor's viewpoint regarding disclosure practices, a survey of 200 investors from various parts of the country has been conducted. Investors have been selected using judgment as well as convenience sampling method.

DEMOGRAPHIC PROFILE OF INVESTORS

The analysis of corporate reporting v/s investors' requirements is based on the study of responses of 200 investors in total. Out of total 200 investors, 120 investors are such who examine the annual reports and 80 investors are such who never read it. 71.7 percent of investors under study belong to urban areas and 26.7 percent investors belong to metropolitan cities. On the basis of age, 7.5 percent investors belong to age upto 30 years and 12.5 percent investors are in the age group of 60 years and above. On the basis of qualification, 2 percent of the total investors under study are such who have not passed their bachelor degree examination. Graduate, post graduate and professionally qualified investors constitute 25 percent, 48 percent and 35 percent of the total investors respectively. Occupation-wise, 71 percent of the investors belong to service class, 6 percent of the investor under study are such who are professionals and doing their own practice. As for experience of investors is concerned, majority of the investors (71.7 percent) in the present study have experience of 5 years and above, the percentage of investors having experience of less than 2 years is only 3.3 percent. In the present study 32.5 percent of the investors have investment upto Rs.100000, and 31 percent of the investors have investment of Rs.200000 & above.

RESULTS & DISCUSSION

The results of analysis of investors are given as under:

Funds are invested with some 'purpose' in mind. It has been found that appreciation of funds is the prime objective of investment. It is given uppermost priority by the investors. Liquidity and safety of funds is the second preference of investors. Tax benefit is given the least importance in the purposes of investment [table 1]. It has been found that level of education, occupation, experience and amount of investment are positively associated with purpose of investment. The correlation between preferences to purpose of investment and educational qualification shows that there is significant relation/association between preferences of undergraduate and graduate investors, and post-graduate and professionally qualified investors [table 1(a)]. Further, occupation and investment experience are positively associated with the purposes of investment, but have no significant impact on it [table 1(b) and table 1(c)].

Analysis of preferences to 'sources of information' has revealed that newspapers (financial/business) have been the first and foremost preference of all categories of investors. Information from internet browsing has been assigned seventh rank by almost all the investors [table 2]. Coefficients of correlations show positive association between preferences to various sources of information among the investors belonging to various levels education, occupation, experience and amount of investment. There is significant association between preferences assigned to various sources of information by investors having various levels of education. Occupation-wise, there is positive and significant association between preferences of business & service class, and preferences of service & professional class. However, correlation between preferences of business and professional class is not significant. Further, tests of significance show that experience of the investors and amount of investment have positive but no significant impact on preference to sources of information [table 2(a) to table 2(d)].

Besides 120 investors who examine annual report, 80 such investors have been surveyed who not read the report. The purpose is to analyze and find out 'reasons why people don't use/study annual report'. The study reveals that 42.5 percent of the investors don't read annual reports as they found it very complex while 12.5 percent of the investors comprehend some items of the report but don't read it due to shortage of time. Analysis has further exposed that 18.75 percent of the investor have not read reports as they consider that it is not connected to share price increase/decrease. 10 percent of the investors never read annual reports because they feel it contains unnecessary detail. A segment of investors (8.75 percent) did not read annual reports as they have not received a copy of it. [table 3].

Analysis of 'Components of Annual Report' depicts that investors consider balance-sheet, profit and loss account, ten years financial highlights, financial ratios, management discussion and analysis, director's report as highly useful. Cash flow statement, balance-sheet abstract, corporate

governance, graphs, charts and pictures etc. are considered useful by them. On the other hand, schedule and notes, auditor's report, adjusted financial statements according to US GAAP, international accountant's reports etc are considered less useful by the investors [table 4].

Investors views on 'Selected Accounting Policies' reveals that accounting for proposed dividend, accounting for investment, research and development and contingent liability is considered highly useful by them. Investors are of the view that valuation of inventories, reporting of system of accounting, accounting for retirement benefits, deferred revenue expenditure, prior period items, segment reporting and various other policies are not useful [table 5].

'Financial ratios' have been rated as highly useful by the investors. Analysis of ratios further reveals that investors consider profitability ratios as most important and assign it first rank. Employees' ratios are not considered as much noteworthy by the investors and hence placed at the fifth and last rank [table 6].

'Perception of investors as regards selected items' valuable in decision making shows that investors consider EPS, DPS and past performance of the share in terms of price as most essential and assign first, second, and third ranks to these items. Products of company, sales and total assets are given less significance by the investors [table 7].

Survey of selected 'futuristic items of information' to be disclosed in the annual report has revealed that most of the investors favour disclosure of information on forecast of profits, forecast about general performance of the company, forecast of dividends, information on diversification and foreign collaboration plans etc. A small segment (33.33 percent) of investors is interested in disclosure of information on forecast of share price [table 8].

Analysis of 'investor's awareness on emerging concepts' shows that 31.67 percent to 75 percent investors are aware on these concepts. Only 31.67 percent of the investors are aware of the concept of 'Brand Valuation'. 75 percent of the investors are aware and satisfied with the disclosure of information by companies on these concepts.

Analysis of requirement of investors reveals that 52.30 percent of the investors like to have 'summary report' only, if given option. 30.83 percent of the investors have reported in favour of annual report accompanied by a separate summary report. Only 16.67 percent of the investors are in favour of receiving reports in its present form i.e. detailed annual report [table 9].

Analysis of 'Adequacy of Disclosure' reveals that 72.5 percent of the investors who read annual report are satisfied with the information disclosed in annual reports. On the other hand, there are still 27.5 percent of the investors who are not satisfied with adequacy of disclosure in the annual reports. From the whole discussion it can be concluded that there exist some gaps between the information reported in the annual reports and information required by the investors [table 10].

CONCLUSION & SUGGESTIONS

The study of analysis of investors reveals that there exists some gap between the type of information demanded and that which is actually presented by corporate. Disclosure on information and presentation of financial statements in accordance with US GAAPs has possessed special importance in this era of globalization. Although some companies in both the sectors have disclosed Adjusted Profit and Loss Account in accordance with US GAAPs, International Accountants Report, and impairment of long-lived assets etc there is scope of improvement in both the sector on this aspect. Keeping in view this era of globalization and significance of corporate disclosure, it becomes imperative to establish some sort of benchmarking against which the Indian corporate disclosure practices can be compared. It is worth mentioning that US corporate disclosure practices are considered best in the world. It can act as standard against which disclosure practices of India companies can be compared. The study of analysis of investors reveal that there exists some 'information gap' between the data that companies release externally, and what the investor wants and needs to know. The gist of suggestions as revealed by the investors to make the reporting useful and relevant is as follows:

1. Reports must be simple, precise, easy to understand by common investors, not complex. Besides these aspects, it must be presented in such a manner that it must attract the investor to read it.
2. It must present futuristic information relating to expected future profits, dividends, expected earnings per share, expected dividend per share, future plans, strategies, diversification, risks etc. This futuristic information should be presented with sufficient disclosure of presumptions on which this futuristic information is based.
3. It must show summary financial and operating results of at least last 5 years.
4. Information on emerging concepts should be adequately disclosed by companies to educate and make aware the investors/researchers about recent developments in the field of corporate reporting.
5. Separate summary report of size 15-20 pages highlighting selected useful items should be made available to the shareholders, and detailed annual report should either available on demand or on internet.
6. Companies are disclosing all the information whether required by investors or not. Investors should not only be provided the information what the company/managers like but it should also disclose the information required by investors. Further, companies should disclose relevant information for investors in nut-shell in a separate section of the annual report.
7. Companies should present latest information to investors earliest possible. Besides annual report, copies of quarterly as well as half yearly reports, and expected future results should also be made available to investors, as desired by some of them. Interim reporting helps users identify, on a timely basis, trends and changes in trends affecting a company.
8. Voluntary disclosure should cover not only good news but also disappointments.
9. Management should provide information that helps users forecast a company's financial future.

To conclude, traditional methods of corporate reporting and disclosure have shortcomings which can be overcome through a more open, progressive approach. For corporate reports to remain relevant in present times, it requires no less than a revolutionary change in how management views its reporting responsibility to the company's stakeholders. To bridge this gap, we propose a forward-looking corporate reporting approach that focuses on open communication with shareholders and stakeholders, thus broadening the scope of corporate reports. For these forward-looking companies that will implement this measure to close the information gap, the key benefits will be- better management credibility, and the increased ability to secure long term investors rather than speculators. To meet users' changing needs, business reporting must :

Provide more information with a forward-looking perspective.

Focusing on users' information needs and finding cost-effective ways of better aligning reporting with those needs.

Developing and maintaining a comprehensive model of business reporting reflecting the kinds of information that users need.
Adopting a longer term focus by developing a vision of the future business environment and users' future needs for information.

SCOPE FOR FURTHER RESEARCH

A number of studies have been conducted on the subject of corporate disclosure. This subject still offers a lot of scope for further research on the following aspects in the current scenario :

1. Around the world an ever-increasing number of companies have World Wide Web (Web) sites on the Internet. Web-based reports have great potential to be more than simply an electronic version of traditional paper reports. In this era of globalisation, the Web represents a totally new reporting environment with many implications for both the content and form of corporate reports. The study may be conducted on 'Web-based Business Reporting'.
2. As a result of liberalization, privatisation and globalisation, several new accounting standards have been framed to ensure proper disclosure and protect the interest of investors and other users. These and various other changes in the economy indicate that their complexity will continue to increase. Thus, a study of 'Impact of Current Economic and Business Environment on Corporate Reporting' may also be conducted.
3. A step has already been initiated to harmonise the domestic accounting standards (AS) with International Accounting Standards (IAS). "Harmonization of Accounting Standards" has also emerged as innovative area of research and development.
4. More research is needed by the academic community and others about the relationship between informative disclosures, cost of capital and its impact on share prices.

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TABLES

Table 1: Purposes of Investment

Purposes of Investment	Ranks				Wt.Avg*	Ranks**
	I	II	III	IV		
(1) Appreciation of Funds	79	26	14	1	42.3	1
(2) Regular extra/additional Income	6	53	55	6	29.9	3
(3) Liquidity& Safety of Funds	35	40	43	2	34.8	2
(4) Availing Tax Benefits	0	1	8	111	13	4

Notes:

- *Weights equal to 4,3,2,1 have been assigned to Ranks I, II, III, and IV respectively to compute weighted average.
- ** Ranks have been assigned in the descending order to the weighted average scores.

Table 1(a): Correlation between Preferences/ranks to Purposes of Investment by investors of different education levels

Education level	Undergraduate	Graduate	Post-graduate	Professional
Graduate	1.000*	1.000	0.800	0.800
Post-graduate	0.800	0.800	1.000	1.000*
Professional	0.800	0.800	1.000*	1.000
Undergraduate	1.000	1.000*	0.800	0.800

* Correlation is significant at the 0.01 level (2-tailed).

Table 1(b): Correlation between Preferences / ranks to Purposes of Investment by investors of different Occupations

Occupation	Service	Business	Profession
Service	1.000	1.000*	0.800
Business	1.000*	1.000	0.800
Profession	0.800	0.800	1.000

* Correlation is significant at the 0.01 level (2-tailed).

Table 1(c): Correlation between Preferences to Purposes of Investment by investors of diverse experience groups

Experience	Up to 2 years	2-5 years	5 years & above
Up to 2 years	1.000	0.800	0.800
2-5 years	0.800	1.000	1.000*
5 years & above	0.800	1.000*	1.000

* Correlation is significant at the 0.01 level (2-tailed).

Table 1(d): Correlation between Preferences/ranks to Purposes of Investment by investors having diverse Amount of Investment

Investment Amount	Up to Rs.1 lakh	Rs.1 lakh to Rs.1.5 lakh	Rs.1.5 lakh to Rs.2 lakh	Rs.2 lakh & above
Up to Rs. 1 lakh	1.000	1.000*	1.000*	1.000*
Rs. 1 lakh to Rs. 1.5 lakh	1.000*	1.000	1.000*	1.000*
Rs. 1.5 lakh to Rs. 2 lakh	1.000*	1.000*	1.000	1.000*
Rs. 2 lakh & above	1.000*	1.000*	1.000*	1.000

* Correlation is significant at the 0.01 level (2-tailed).

Table 2: Sources of Information

Sources	Ranks							Wt.Avg.*	Ranks**
	I	II	III	IV	V	VI	VII		
(1) Brokers Information	12	33	5	20	10	17	23	17	4
(2) Business Journals/Periodicals	23	37	19	18	18	5	1	22	2
(3) Newspapers (Fin. & others)	47	27	32	4	7	3	0	25	1
(4) News Bulletins	2	10	46	28	17	14	2	18	3
(5) Annual Reports	13	6	11	36	20	26	8	16	5
(6) Inf. from Friends and Relatives	19	7	5	4	31	29	25	14	6
(7) Inf. from Internet Browsing	4	0	2	10	17	26	61	9	7

Notes:

- * Weights 7,6,5,4,3,2,1 have been assigned to ranks I, II, III, IV, V, VI and VII respectively to compute weighted average.
- ** Ranks have been assigned in the descending order to the weighted average scores.

Table 2(a): Correlation between Preferences/ranks to Sources of Information by investors having diverse levels of education

Education Level	Under-Graduate	Graduate	Post-Graduate	Professionally Qualified
Under-Graduate	1.000	0.991**	0.847*	0.937**
Graduate	0.991**	1.000	0.893**	0.964**
Post-Graduate	0.847*	0.893**	1.000	0.964**
Professionally Qualified	0.937**	0.964**	0.964**	1.000

** : Correlation is significant at the 0.01 level (2-tailed)

* : Correlation is significant at the 0.05 level (2-tailed)

Table 2(b): Correlation between Preferences/ranks to Sources of Information by investors of different Occupations

Occupations	Serviceman	Businessman	Profession
Serviceman	1.000	0.821*	0.893**
Businessman	0.821*	1.000	0.571
Profession	0.893**	0.571	1.000

** .Correlation is significant at the 0.01 level (2-tailed)

* .Correlation is significant at the 0.05 level (2-tailed)

Table 2(c): Correlation between Preferences/ranks to Sources of Information by investors having diverse experiences

Experiences	upto 2 years	2-5 years	5 years & above
upto 2 years	1.000	0.786*	0.964**
2-5 years	0.786*	1.000	0.893**
5 years & above	0.964**	0.893**	1.000

** .Correlation is significant at the 0.01 level (2-tailed)

* .Correlation is significant at the 0.05 level (2-tailed)

Table 2(d): Correlation between Preferences/ranks to Sources of Information by investors having diverse Amount of Investment

Investment Amount	Up to Rs.1 lakh	Rs.1 lakh to Rs.1.5 lakh	Rs.1.5 lakh to Rs.2 lakh	Rs.2 lakh & above
Up to Rs. 1 lakh	1.000	0.893**	0.893**	0.893**
Rs.1 lakh to Rs.1.5 lakh	0.893**	1.000	1.000**	1.000**
Rs.1.5 lakh to Rs.2 lakh	0.893**	1.000**	1.000	1.000**
Rs.2 lakh & above	0.893**	1.000**	1.000**	1.000

** . Correlation is significant at the 0.01 level.

Table 3: Reasons for Not use of Annual Reports

Reasons	Number of Investors	%age
1. Non-Receipt of Reports	7	8.75
2. No Interest in reading Reports	0	0
3. Not Understanding of most of content of Reports as they are very complex	34	42.5
4. Understand certain items vaguely but no time to study AR	10	12.5
5. Contents of AR are not related to Share Price Increase/ Decrease	15	18.75
6. Not contain futuristic information required by Investors	6	7.5
7. Other reasons-unnecessary details	8	10
Total	80	100

Table 4: Investors views regarding selected Components of Annual Reports

Components	Highly useful	Useful	Less useful	Not useful	Can't Say	Wt.* average	Ranks**
1. Board of Directors	0	44	73	3	0	26.73	12
2. Report of Directors	66	45	9	0	0	35.80	6
3. Chairman's Communication	0	47	73	0	0	27.13	11
4. Auditors' Report	0	10	70	40	0	22.00	16
5. Management Discussion and Analysis	66	49	5	0	0	36.07	5
6. Balance-Sheet	90	30	0	0	0	38.00	1.5
7. Profit and Loss Account	90	30	0	0	0	38.00	1.5
8. Statement Relating to Subsidiary Co.	0	38	62	12	8	24.67	13

9. Cash Flow Statement	62	36	22	0	0	34.67	7
10. Ten Years Performance Highlights	77	40	3	0	0	36.93	4
11. Financial Ratios	75	45	0	0	0	37.00	3
12. Significant Accounting Policies	0	42	60	0	18	24.40	14
13. Report on Corporate Governance	15	75	21	4	5	30.07	9
14. B/S Abstracts & Co's Gen Business Profile	40	61	10	3	6	32.40	8
15. Graphs, Charts and Diagrams	25	47	36	12	0	29.67	10
16. Adj. Financial Statements in Acc. With US GAAP	0	0	21	72	27	15.60	17.5
17. International Accountants Report	0	0	21	72	27	15.60	17.5
18. Schedules and Notes	0	10	72	38	0	22.13	15

Notes:

- *Weights 5,4,3,2,1 have been assigned to highly useful, useful, less useful, not useful and can't say items respectively to compute weighted average.
- **Ranks have been assigned in the descending order to the weighted average scores

Table 5: Investors Views Regarding Selected Accounting Policies

Accounting Policies	Highly useful	Useful	Less useful	Not useful	Can't Say	Wt.* average	Ranks**
1. System of Accounting	0	26	58	12	24	21.73	11
2. Fixed Assets	0	44	58	0	18	24.53	6
3. Depreciation Accounting	0	35	60	7	18	23.47	7
4. Investments	24	60	18	0	18	28.80	2
5. Valuation of Inventories	0	25	58	17	20	21.87	10
6. Revenue Recognition	0	54	46	0	20	24.93	5
7. Retirement Benefits	0	23	60	15	22	21.60	12
8. Foreign Currency Transactions	0	25	60	17	18	22.13	9

9. R&D	23	58	21	0	18	28.53	3
10. Contingent Liabilities	12	52	32	6	18	26.27	4
11. Proposed Dividends	25	60	17	0	18	28.93	1
12. Deferred Revenue Expenditure	0	24	60	6	30	21.20	13
13. Lease Accounting	0	34	60	0	26	22.80	8
14. Prior Period Items	0	20	52	0	48	18.93	14
15. Segment Reporting	10	32	11	0	67	18.53	15

Note:

*. Weights 5,4,3,2, and 1 have been assigned to highly useful, useful, less useful, not useful and can't say items to compute weighted average score.

** .Ranks have been assigned in descending order to the weighted average scores.

Table 6: Investor's Views Regarding Financial Ratios

Ratios	Highly useful	Useful	Less useful	Not useful	Can't Say	Wt.* average	Ranks**
1. Profitability Ratios	76	40	0	0	4	36.27	1
2. Balance-Sheet Ratios	75	41	0	0	4	36.20	2
3. Efficiency Ratios	51	62	0	3	4	34.20	4
4. Dividend payout (%)	70	47	0	0	3	36.07	3
5. Employees Related Ratios	0	30	82	3	5	25.13	5

Note:

*. Weights 5,4,3,2 and 1 have been assigned to highly useful, useful, less useful, not useful and can't say items to compute weighted average score.

** .Ranks have been assigned in descending order to the weighted average scores.

Table 7: Importance of Selected Items useful in making Investment Decision

	Highly useful	Useful	Less Useful	Not Useful	Can't Say	Weighted Average*	Ranks**
1.Price of Share(H/L)	72	48	0	0	0	36.80	3
2.Dividend Per Share	76	44	0	0	0	37.07	2
3. Earnings Per Share	77	43	0	0	0	37.13	1
4. Book value (Rs)	50	70	0	0	0	35.33	5
5. Profit or Loss	49	71	0	0	0	35.27	6
6. Change in Profit or Loss	62	53	3	0	2	35.53	4
7. Sales	33	76	9	0	2	33.20	9

8. Products of the Company	35	70	15	0	0	33.33	8
9. Total Assets of the Company	37	75	7	0	1	33.80	7

Note :

*. Weights 5,4,3,2 and 1 have been assigned to highly useful, useful, less useful, not useful and can't say items to compute weighted average score.

**.. Ranks have been assigned in descending order to the weighted average scores.

Table 8: Requirements of Investors regarding Futuristic Items of Information

Items	No. of Investors (Response in Yes)	Percentage
1. Forecast of share prices	40	33.33
2. Forecast of dividends	112	93.33
3. Forecast of profits	117	97.5
4. Past EPS and its forecast	113	94.17
5. Forecast about general performance(prod., sales)	117	97.5
6. Diversification & Foreign collaboration plans	104	86.67
7. Change in shareholding pattern	76	63.33
8. Any other item, if any, please specify	-	-

Table 9: Requirement of Investors regarding Annual/Summary Report

Report	No. of Investors (Response in Yes)	Percentage
1. Annual Report Only	20	16.67
2. Summary Report Only	63	52.30
3. Annual Report with a separate summary report	37	30.83
Total	120	100.00

Table 10: Investor's Views on Adequacy of Disclosure in Annual Reports

Response of Investors	No. of Investors	Percentage
Yes	87	72.5
No	33	27.5
Total	120	100.00

REQUEST FOR FEEDBACK

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At the very outset, International Journal of Research in Commerce and Management (IJRCM) appreciates your efforts in showing interest in our present issue under your kind perusal.

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