

A STUDY ON THE DISCLOSURE REQUIREMENTS OF FINANCIAL INFORMATION NEED FOR SHAREHOLDERS

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ABSTRACT

This study investigates and explores the needs and demands of users of financial information published by companies listed in the Malaysian Service Industry for information decision-making. The study found, in the disclosure of standard financial reporting requirements placed on these companies, degree of expectation gap between the needs and demands of user of financial information, but not on the financial reporting practices adopted by companies listed in the Malaysian service sector base on the adoption of the Malaysian standards. The analysis means employed was chi-square model analysis. Based on a sample of 112 respondents studied, the results reveal that a significant percentage of user groups who expressed interest in reading the annual financial accounts of these companies had a general desire for more financial information. The results also reveal that there are statistically significant differences in terms of users groups' consensus on the adequacy of financial information for investment decision-making. However, there exist significant relationship between corporate annual report and investment decision-making by users.