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**OFF BALANCE SHEET FINANCING AND  
SHAREHOLDERS INVESTMENT DECISION IN  
MANUFACTURING FIRMS. A STUDY OF GUINNESS  
NIGERIA PLC**

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**Abstract:** This paper was designed to examine the effect of off-balance sheet Financing on Shareholders Investment Decision in Manufacturing firms using Guinness Nigeria Plc as a study of evidence. Both primary and secondary source of data were adopted. Population 132 Questionnaires were distributed and ninety-nine were returned. Upon presentation and analysis of data, hypotheses were tested empirically using ordinal regression. The research revealed the following: In hypothesis 1,  $F(1, 97) = 1442.311$ ,  $P < 0.001$ , which indicates that the F&NFI can play a significant role in shaping SID ( $b = .698$ ,  $P < 0.001$ ),  $R^2 = .937$  which depicts that the model explains 93.7% of the variance in SID, t-statistics of 37.978 and p-value  $< 0.001$ . Therefore, we reject the null hypothesis and accept the alternative hypothesis. In hypothesis 2,  $F(1, 97) = 973.540$ ,  $P < 0.001$ , which indicates that the TFV can play a significant role in shaping SID ( $b = .1025$ ,  $P < 0.001$ ),  $R^2 = .909$  which depicts that the model explains 90.9% of the variance in SID, t-statistics of 31.202 and p-value  $< 0.001$ . Therefore, we reject the null hypothesis and accept the alternative hypothesis. In hypothesis 3,  $F(1, 97) = 1020.780$ ,  $P < 0.001$ , which indicates that the PFS can play a significant role in shaping SID ( $b = .729$ ,  $P < 0.001$ ),  $R^2 = .913$ , t-statistics of 31.950 and p-value  $< 0.001$ . Therefore, we reject the null hypothesis and accept the alternative hypothesis. Investors do not analyze financial statement before making an investment decision. Published financial statement of a company does not show true and fair view. Majority of the respondents agreed that information contained in the company's annual report could be reliable for effective investment decision. The researcher recommends that all public limited enterprise should continue to publish their financial statement every year; hence it helps shareholders in making investment decision.

**Key words:** Off balance sheet financing, shareholders' investment decision

### Introduction

Off balance sheet financing has been part of the primary improvements within the present monetary markets that involve the banking institutions (Aktan et al., 2013). Financial institutions engagements in the conventional banking have been decreasing while the off balance sheet dealings has been enlarging (Ma'ina et al., 2015). Arguments are that the off balance sheet dealings act a vital task in aiding the financial institutions be cautious of the period which is long monetary items found in on balancing sheet along with growing in the profitability for the banks (Karim, Abd & Gee, 2007). For financial institutions including microfinance

institutions, the development of off balance sheet activities allowed downscaling balancing sheet assets via creating extra charges proceeds for compensating the lowering in size for interest rate margins provided by the banks conceding credits (Elian, 2012).

Off balance sheet dealings as the banking items among dealings not reflected in the on balance sheet group. The dealings make incomes that are not evidenced in the balance sheet for banks (Karim, Abd & Gee, 2007). According to Al-Awawdeh and Al-Sakini (2017) off-balance items is defined as the financial activities that provide financing sources to the enterprise without stating the financial obligations in the financial statements.

Off balance sheet dealings entails several products that include definite commitments on credit, definite loan letters with rotating underwriting services. To add on, futures, swaps, forwards as well as option contracts are items that have their theoretical ideals are conceded off balance sheet (Saxunova, 2012). Off-balance items include the potential obligations that may arise from the bank issuance bank bonds letters, bail bonds, letters of credit, and unutilized receivables of current account limits or dealing with financial derivatives (Al-Awawdeh & Al-Sakini, 2017). Fee - related products encompassing commitments, guarantees as well as derivatives occasionally befall the primary supplies of proceeds for banks. The guarantees credit letters, securitization, derivatives as well as commitments are at times be fall the primary supplies for bank's incomes (Ma'ina et al., 2015).

### **Objectives of The Study**

The main Objective of the study is to Analyze the effect of off-balance sheet statement on Shareholders Investment Decision in Manufacturing Organisation using Guinness Nigeria Plc as a study of evidence.

Other objectives are:

1. To ascertain if Financial and non-financial information contained in the firm's financial statement is effectively understood by investors so as to make effective investment decision.
2. To find out if Company's Concepts, conventions and principles are capable of meeting investor's needs.
3. To ascertain the extent at which public financial statement (such as statement of income, statement of financial position and VAT can induce more investors to invest in the organization.

### **Research Hypotheses**

The following hypotheses will be stated in their null form

**H<sub>0</sub><sup>1</sup>:** Most Investors do not have any understanding of the financial and non-financial information presented in the financial statements/reports before embarking on effective investment decisions.

**H<sub>0</sub><sup>2</sup>:** Financial statement of the organization does not show a true and fair view after preparation and presentation in accordance with GAAP.

**H<sub>0</sub><sup>3</sup>:** A firm's published financial statement do not have any significant impact on shareholders' investment decision.

### **Conceptual Framework**

#### **Concept of Off -Balance- Sheet Financing**

The concept of off balance sheet financing is theoretically explained by the collateralization hypothesis, market regulation hypothesis with diversification hypothesis. The diversification hypothesis argues that the

desire to diversify their loan and investment portfolio have provided incentives for banks to use OBS activities (Kasa, 2013). The collateralization hypothesis affirms that banks are usually concerned in credit securitization along with stand-by communication of loans in avoidance for the breach of authoritarian necessities (Elian, 2012). The market regulation hypothesis affirms that safer banks be likely to concern a better degree of OBS activities than precarious institutions (Ghosh & Nachane, 2002). On financial sustainability, the institutional theory supports that every MFI must seek monetary sustainability by way of exploiting its efficiency along with output, so as to attain self-adequacy on finance (Furu, 2017). The welfarist theory supports the creation of commonality institutions that may include NGOs and cooperatives in view of micro-finance as a primary implement for dropping the poorest poverty (Bassem, 2012). Micro-finance institutions have been established as a fiscal imply to aim precise individuals and also as a communal feature that contributes to the reduction of poverty, empowerment on women, and development in economy as well as creation of employment (Harelimana, 2017). The microfinance is broadly recognized to provide the monetary services that are loans, deposits, savings, and indemnity as well as refund services to the people underprivileged to access the predictable monetary services due to poverty and they are not able to bid securities (Samer et al., 2015). The Kenya Micro-finance segment started in behind 1960s by NGOs introducing pilot schemes offering benefactor funded loan services. Several firms have grown over the period to being self-supporting, commercialized and also immensely advantageous firms (Kodongo & Kendi, 2013). Stakeholders and scholars in the Microfinance sector have argued that MFIs ought to be sustainably stable to be able to offer meaningful contribution to the fight against poverty (Samer et al., 2015).

### **Concept of Financial Statement**

Financial statements according to illoumezie (2006), there are like compasses “which navigators use to locate their bearing and find direction”. People use them to gauge their financial positions at various points in their lives in order to judge their progress towards their financial goals.

Financial statements according to meigs and meigs (1981:28) refers to reports which summarize the financial position and operating results of a business (balance sheet and income statements). It referred to as general purpose that satisfy the need of many groups generally called stakeholders. These groups are particularly concerned with the risk inherent in and returns provided by their investments, and who require accounting information to enable them assess the ability whether they should buy, hold and sell their investments.

According to Anayaogu (2002), financial accounting provides information to eternal decision makes such as shareholders government, creditors, employees etc, these are people with whom or from whom money is ultimately paid or received. Anayaogu (2002:20) also states that records of financial accounting include various ledges accounts, Statement of profit or loss account, Statement of Financial Position Account and other financial records. These records are intended to show the strength, progress, portability, management effectiveness and stewardship. Financial statement are the means of communicating to interested partners information or the resource, obligation and performance of the reporting enterprise in a simple, clear and understandable form to all

its user with such attributes of relevance to decision reliability, consistency and comparability materiality efficiency and understandability.

### **Importance of Financial Statement**

The perception of investors about companies affects the market prices of the company's security relative to other in the industry. It is necessary to understand that financial statement can only be useful to investors if they of the full year economic activities that would be revealed by any source as the most useful source of investment decision. This is true because, there is no other publication bulletin statement or document rebased to the public which shows or contains so much details of any corporate body.

However, According to DAY (1930: 26) is difficult to access the usefulness of financial reports to investors directly the reason being that investors generally seem to made little use of the annual reports possibly because most of investors in our reach seem and to fully comprehend the role purpose and the use of such statement. Coupled with the fact that an intermediary (an analysis) may be required to elucidate the content of such financial statement. Lucia and Kenneth (1951:21) in their work found out that either because of harmony or sophistication individual investors do not attach as much importance to financial reports as other types of investors. Taylor that (1936:54) observed in their work that most often investors who before these reports are released they already have gotten enough information to make their decision. Therefore, the understanding of the information contained in the financial statement is very important per effective civilization of the information. They advise investors against such practice arguing that such reasoning is myopic and sets of investors had simply ignored the probability that annual report contain incremental information. They further explained that by incremental information, the mean "information content of the date contained in the financial statement to shareholders which have been previously released to the general public.

### **Theoretical Framework**

This work anchors on the following theories:

#### **The Institutionists Theory**

The institutionalist theory is associated with Morduch (2000) and Woller et al. (1999). The institutionist advance is based on the logic of market in support of different global companies, like United Nations, the World Bank, the Consultative Group to help the needy and the United States Agency for International Development. This advance is based on the assumption of limited donors for a growing demand for microfinancial services (Conzo, 2014). Institutionalists stress the performance assessment from the point of view of banks to the disadvantage of its clients. They deem fiscal self-sufficiency as a condition that accomplishes in a better way the communal objectives (Bassem, 2012).

#### **The Welfarists Theory**

The welfarists (poverty lending) theory is also associated with Morduch (2000). Welfarists base their position on the assumption of their commitment to provide for the very unfortunate. This advance considers the provision of a whole range of services, not only credit or saving, but also non economic services, such as specific entrepreneurial trainings with support able to support the target population in all the business cycle phases, under an economic and a social perspective (Conzo, 2014). The welfarists theory emphasizes on shortage

mitigation, situate comparatively better influence on intensity of out-reach relation to breath of out-reach, and measure bank prosperity more so in accordance to communal metrics (Brau & Woller, 2004). The welfarist approach perceives the micro-finance as a successful means to fighting beside shortage with susceptibility alongside improving the welfare of the deprived. Additionally, this stipulation is in the favor the conceding non-financial services for instance education and also practical support to the micro capitalists (Bassem, 2012). The welfarists follow that micro-finance as formed for reducing poverty, their aims being to allow the inferior of the reasonably lively unfortunate and therefore, intensity of out-reach ought to be agreed a superior precedence. Micro-finance banks ought to be capable of serving majority of the potential poor customers, still when it may seem not commercial (Harelimana, 2017).

### **Empirical Review**

Al-Awawdeh and Al-Sakini (2017) studied the off balance objects with their effect in fiscal operation levels for financial institutions. The research sampled 13 listed Jordanian commercial banks from 2009 to 2016. The outcome of the paper revealed that the capacity of Jordanian business financial institutions off balance objects was elevated as they constituted more than one-fifth of the sum resources. Using the regression model, the study revealed that the off balance objects had an affirmative impact with importance on statistics of the assets' return speed and profits. This study also established that size of banks along with ratio of the loan services offered by the institutions had an affirmative and arithmetic implication effect on the assets' rate of return and return on equity.

Khan, Butt and Khan (2017) examined the aspects that are affecting fiscal self-sufficiency of microfinance institutions in Pakistan, India and Bangladesh. The study used panel data on MFIs of from the three countries from 2011 to 2015. The findings revealed that the quantity of MFI and the portfolio for loans and finally the summation of all assets had a strong influence; the risk of portfolio the outreach length, managing incompetence alongside routine expenditure ratio have unconstructive effect in fiscal independence.

In Kenya, Nderitu (2016) examined the impact of growth on the prosperity of institutions of the microfinance nature on the country via the design of descriptive study and 9 Microfinance banks in Kenya from 2011 to 2015. The study analyzed data through descriptive relationship as well as regression analysis. The results discovered microfinance banks were profitable since return on assets increased within the considered research period. The study also found that bank size and financial performance were moderately correlated and concluded that capital adequacy, liquidity, asset quality and logarithm of assets did not significantly influence MFBs profitability.

In Kenya, Wafula (2016) examined the determinants of sustainability of finance for the MFIs in the country. His research employed regression sculptures in the examination. The paper revealed that capital sufficiency, liquidity along with leverage is considerably correlated with fiscal sustainability while economic performance is not. The study concluded that liquidity be affirmatively as well as considerably related to economic sustainability. His study even concluded that there was an affirmative connection among liquidity with fiscal sustainability.

Ye (2015) studied the connection amid the growth of off-balance sheet doings with the institutions' bankruptcy, overall and also credit risks. The study measured various forms of possibility variables and incorporated bank's

risk characteristics and focused on joint stock business financial institutions with government owned business financial institutions. The results revealed that the expansion of off-balance sheet doings for the government owned business banks raises all the study variables in considerable manner. The study also established the making of OBS doings reduces the general associated risk significantly in joint-stock business financial institutions' test.

### **Research Methodology**

This research is designed to ascertain the impact of off-balance sheet financing on shareholders investors decision using Guinness Nigeria Plc, Onitsha Anambra State as a study of evidence. In line with this purpose, the researcher has taken some logical steps and procedure in gathering and interpretation of relevant data. Questionnaires were issued to respondents. A total Population of comprising of 132 staffs will be used for the study, while with the use of Taro Yamane formula a sample size of 99 were gotten. Descriptive statistics method was used to analyze the data collected from the respondents. Both Primary and Secondary Data source was used for the study. The frequencies were gotten using the Research questions and their respective responses were shown together with their valid and cumulative percentages. Linear regression was used to run the regression analysis. All these statistical works were done with the aid of the SPSS 25 Package.

### **Presentation and Analysis of Data**

#### **Restatement of Hypothesis I**

#### **Test of Hypothesis**

The following hypothesis will be stated in its null form and alternative format:

#### **Hypothesis I**

**H<sub>0</sub><sup>1</sup>**: Financial and non-financial information has no significant impact on shareholders' investment decisions

**H<sub>A</sub><sup>1</sup>**: Financial and non-financial information has a significant impact on shareholders' investment decisions.

**The Problem to be Investigated**

Investigating the Impact Financial & Non-Financial Information on Shareholders Investment Decisions.

Descriptive Statistics				
	N	Mean		Std. Deviation
	Statistic	Statistic	Std. Error	Statistic
<b>FNFI</b>	99	1.5253	.06847	.68129
<b>TFV</b>	99	1.6242	.04597	.45739
<b>PFS</b>	99	1.4626	.06476	.64438
<b>SID</b>	99	1.4283	.04940	.49157
<b>Valid N (listwise)</b>	99			

**Regression**

Descriptive Statistics			
	Mean	Std. Deviation	N
<b>SID</b>	1.4283	.49157	99
<b>FNFI</b>	1.5253	.68129	99

Correlations			
		SID	FNFI
<b>Pearson Correlation</b>	SID	1.000	.968
	FNFI	.968	1.000
<b>Sig. (1-tailed)</b>	SID	.	.000
	FNFI	.000	.
<b>N</b>	SID	99	99
	FNFI	99	99

Variables Entered/Removed <sup>a</sup>			
Mode	Variables Entered	Variables Removed	Method
<b>1</b>	FNFI <sup>b</sup>	.	Enter
<b>a. Dependent Variable: SID</b>			
<b>b. All requested variables entered.</b>			

Model Summary <sup>b</sup>					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.968 <sup>a</sup>	.937	.936	.12403	.755
<b>a. Predictors: (Constant), FNFI</b>					
<b>b. Dependent Variable: SID</b>					

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	22.189	1	22.189	1442.311	.000 <sup>b</sup>
	Residual	1.492	97	.015		
	Total	23.681	98			
<b>a. Dependent Variable: SID</b>						
<b>b. Predictors: (Constant), FNFI</b>						

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.363	.031		11.826	.000
	FNFI	.698	.018	.968	37.978	.000
<b>a. Dependent Variable: SID</b>						

Residuals Statistics <sup>a</sup>					
	Minimum	Maximum	Mean	Std. Deviation	N
<b>Predicted Value</b>	1.0614	2.3186	1.4283	.47583	99
<b>Residual</b>	-.31860	.48140	.00000	.12340	99
<b>Std. Predicted Value</b>	-.771	1.871	.000	1.000	99
<b>Std. Residual</b>	-2.569	3.881	.000	.995	99
<b>a. Dependent Variable: SID</b>					

#### Interpretation of Regression Result on Hypothesis I

The hypothesis test if F&NFI- carries a significant impact on SID. The dependent variable SID was regressed on predicting variable F&NFI to test the hypothesis  $H_A^1$ . F&NFI significantly predicted SID,  $F(1, 97) = 1442.311$ ,  $P < 0.001$ , which indicates that the F&NFI can play a significant role in shaping SID ( $b = .698$ ,  $P < 0.001$ ). These results clearly direct the positive effect of the F&NFI. Moreover, the  $R^2 = .937$  which depicts that the model explains 93.7% of the variance in SID.

Table Hypothesis 4.1.1 shows a summary of the findings

Hypothesis	Regression Weight	Beta coefficient	R <sup>2</sup>	F	P-Value	Hypothesis Supported
<b>H<sub>A</sub><sup>1</sup></b>	F&NFI-SID	.698	.937	1442.311	.000	Yes

Note\*  $P < 0.05$ . F&NFI: Financial & Non-Financial Information, SID: Shareholders Investment Decisions

Based on t-statistics of 37.978 and p-value  $< 0.001$ , Financial & Non-Financial Information was found to have significant effect on Shareholders Investment Decisions in Guinness Nigeria Plc. Therefore, we reject the null hypothesis and accept the alternative hypothesis. This shows that Financial & Non-Financial Information has a significant impact on Shareholders Investment Decisions.

### Hypothesis II

**H<sub>0</sub><sup>2</sup>**: Financial Statement presenting a True and fair view has no significant impact on shareholders' investment decisions

**H<sub>A</sub><sup>2</sup>**: Financial Statement presenting a True and fair view has a significant impact on shareholders' investment decisions.

### The Problem to be Investigated

Investigating the Impact of Financial Statement presenting a True and fair view on Shareholders Investment Decisions.

Descriptive Statistics			
	Mean	Std. Deviation	N
<b>SID</b>	1.4283	.49157	99
<b>TFV</b>	1.6242	.45739	99

Correlations			
		SID	TFV
<b>Pearson Correlation</b>	SID	1.000	.954
	TFV	.954	1.000
<b>Sig. (1-tailed)</b>	SID	.	.000
	TFV	.000	.
<b>N</b>	SID	99	99
	TFV	99	99

Variables Entered/Removed <sup>a</sup>			
Model	Variables Entered	Variables Removed	Method
1	TFV <sup>b</sup>	.	Enter
<b>a. Dependent Variable: SID</b>			
<b>b. All requested variables entered.</b>			

Model Summary <sup>b</sup>					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.954 <sup>a</sup>	.909	.908	.14873	.657
<b>a. Predictors: (Constant), TFV</b>					
<b>b. Dependent Variable: SID</b>					

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	21.535	1	21.535	973.540	.000 <sup>b</sup>
	Residual	2.146	97	.022		
	Total	23.681	98			
<b>a. Dependent Variable: SID</b>						
<b>b. Predictors: (Constant), TFV</b>						

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.236	.055		-4.266	.000
	TFV	1.025	.033	.954	31.202	.000

**a. Dependent Variable: SID**

Residuals Statistics <sup>a</sup>					
	Minimum	Maximum	Mean	Std. Deviation	N
<b>Predicted Value</b>	.9935	2.6333	1.4283	.46877	99
<b>Residual</b>	-.63331	.38661	.00000	.14797	99
<b>Std. Predicted Value</b>	-.928	2.571	.000	1.000	99
<b>Std. Residual</b>	-4.258	2.599	.000	.995	99

**a. Dependent Variable: SID**

### Interpretation of Regression Result on Hypothesis II

The hypothesis test if TFV carries a significant impact on SID. The dependent variable SID was regressed on predicting variable TFV to test the hypothesis  $H_A^2$ . TFV significantly predicted SID,  $F(1, 97) = 973.540$ ,  $P < 0.001$ , which indicates that the TFV can play a significant role in shaping SID ( $b = .1.025$ ,  $P < 0.001$ ). These results clearly direct the positive effect of the TFV. Moreover, the  $R^2 = .909$  which depicts that the model explains 90.9% of the variance in SID.

Table Hypothesis 4.1 shows a summary of the findings

Hypothesis	Regression Weight	Beta coefficient	R <sup>2</sup>	F	P-Value	Hypothesis Supported
$H_A^2$	TFV-SID	1.025	.909	973.540	.000	Yes

Note\*  $P < 0.05$ . TFV: True & Fair View. SID: Shareholders Investment Decisions

Based on t-statistics of 31.202 and p-value  $< 0.001$ , True & Fair View was found to have significant effect on Shareholders Investment Decisions in Guinness Nigeria Plc. Therefore, we reject the null hypothesis and accept the alternative hypothesis. This shows that True & Fair View has significant impact on Shareholders Investment Decisions.

**Hypothesis III**

**H<sub>0</sub><sup>3</sup>:** Published Financial Statement has no significant impact on shareholders' investment decisions

**H<sub>A</sub><sup>3</sup>:** Published Financial Statement do have significant impact on shareholders' investment decisions.

**The Problem to be Investigated**

Investigating the Impact Published Financial Statement on Shareholders Investment Decisions.

Descriptive Statistics			
	Mean	Std. Deviation	N
<b>SID</b>	1.4283	.49157	99
<b>PFS</b>	1.4626	.64438	99

Correlations			
		SID	PFS
<b>Pearson Correlation</b>	SID	1.000	.956
	PFS	.956	1.000
<b>Sig. (1-tailed)</b>	SID	.	.000
	PFS	.000	.
<b>N</b>	SID	99	99
	PFS	99	99

Variables Entered/Removed <sup>a</sup>			
Model	Variables Entered	Variables Removed	Method
<b>1</b>	PFS <sup>b</sup>	.	Enter
<b>a. Dependent Variable: SID</b>			
<b>b. All requested variables entered.</b>			

Model Summary <sup>b</sup>					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
<b>1</b>	.956 <sup>a</sup>	.913	.912	.14555	.816
<b>a. Predictors: (Constant), PFS</b>					
<b>b. Dependent Variable: SID</b>					

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	21.626	1	21.626	1020.780	.000 <sup>b</sup>
	Residual	2.055	97	.021		
	Total	23.681	98			
<b>a. Dependent Variable: SID</b>						
<b>b. Predictors: (Constant), PFS</b>						

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.362	.036		9.935	.000
	PFS	.729	.023	.956	31.950	.000
<b>a. Dependent Variable: SID</b>						

Residuals Statistics <sup>a</sup>					
	Minimum	Maximum	Mean	Std. Deviation	N
<b>Predicted Value</b>	1.0910	2.5490	1.4283	.46976	99
<b>Residual</b>	-.54904	.39676	.00000	.14481	99
<b>Std. Predicted Value</b>	-.718	2.386	.000	1.000	99
<b>Std. Residual</b>	-3.772	2.726	.000	.995	99
<b>a. Dependent Variable: SID</b>					

### Interpretation of Regression Result on Hypothesis III

The hypothesis test if PFS carries a significant impact on SID. The dependent variable SID was regressed on predicting variable PFS to test the hypothesis  $H_A^3$ . PFS significantly predicted SID,  $F(1, 97) = 1020.780$ ,  $P < 0.001$ , which indicates that the PFS can play a significant role in shaping SID ( $b = .729$ ,  $P < 0.001$ ). These

results clearly direct the positive effect of the PFS. Moreover, the  $R^2 = .913$  which depicts that the model explains 91.3% of the variance in SID.

Table Hypothesis 4 shows a summary of the findings

Hypothesis	Regression Weight	Beta coefficient	R <sup>2</sup>	F	P-Value	Hypothesis Supported
H <sub>A</sub> <sup>3</sup>	PFS-SID	.729	.913	1020.780	.000	Yes

Note\* P < 0.05. PFS: Published Financial Statement, SID: Shareholders Investment decisions

Based on t-statistics of 31.950 and p-value < 0.001, Published Financial Statement was found to have significant impact on Shareholders Investment Decisions in Guinness Nigeria Plc. Therefore, we reject the null hypothesis and accept the alternative hypothesis. This shows that Published Financial Statement has a significant impact on Shareholders Investment Decisions.

## FINDINGS

On a thorough analysis and decision of the findings, the following were revealed.

- i) Investors do not analyze financial statement before making an investment decision.
- ii) Published financial statement of a company does not show a true and fair view.
- iii) Most of the respondents agreed that most investors do analyze financial statement before making an investment decision, while some disagreed.
- iv) Most of the respondent strongly agreed that financial statement always show true and fair view of the statement in the country where as some were undecided.

## Conclusion and Recommendations

It can be concluded from this study that Off balance sheet dealings are often not reflected in the Statement of Financial position for various reasons which shouldn't be at all time. Also in order to make appropriate investment decisions for adequate understanding of the financial information presented in the financial statements, the interested parties in financial statement must have an in-depth understanding of the items contained in the financial statements for this reason, the interpretation of accounts was considered a major aspect of the study and items in the financial statements were analyzed and explained for the purpose of those who have little a no knowledge of such statements. The two major financial statements are Statement of Financial Position and Statement of profit or loss accounts. The former gives a true and fair view of the state of affairs of a company at the end of financial ear to ascertain the financial position of the company while he later shows the results of a business over a particular accounting period.

Based on the findings of this study, the following recommendations were made:

Following by the findings in the study, the following recommendation(s) are made by me in order to make published financial statement more effective in investment decision.

1. we recommend that all public limited enterprises (not only Guinness Nigeria Plc) should publish their financial statement every year, as it helps shareholders to know the financial position of the companies and

change at any point in time, in order to know whether to continue holding, dispose or buy more shares in the companies.

2. All contents of financial statement should be included to the additional notes as there should not be exclusion of Information as this shows the sincerity and truthfulness of the Organisation. All form of window dressing should be avoided.

3. Every shareholder or investors should thoroughly analyzing and interpreting the firms financial statements through the use of qualified personnel before making investment decision and also rely on that analysis for their investment decision, in order to invest in high growth company.

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