STUDY OF INVESTORS PERCEPTION TOWARDS CORPORATE REPORTING PRACTICES

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ABSTRACT

This paper reports on voluntary financial disclosure practices of Indian companies and relates the extent of disclosure to firm size, financial leverage, and proportion of assets in place. Studying the voluntary disclosure of Indian firms yields additional insights into voluntary disclosure parameters, and enhances our understanding of the financial reporting and practices adopted by Indian companies. Voluntary disclosure varies widely within the existing companies and their information perceived by investors for their investment objectives. The extent of disclosure varies significantly among sectors and is positively related to firm size, brand, goodwill and past performances.

Keywords: Disclosure, Financial reporting, Investment, financial leverage.

INTRODUCTION:

Corporate reporting may be defined as communication as published statement and related information from a business enterprise to all users. It is a process to identify measure and communicate economic information to permit informed judgments and decisions by the user of the information. Its function is to provide quantitative information, primarily financial in name, about economic entities, that is intended to be useful in making economic decisions and related choice among alternative course of action. Financial reporting may be defined as communication of published financial statement and related information from a business enterprise to all users. It is the reporting of accounting information of an entity to a user or group of users. It contains booth qualitative and quantitative information.

With the rapid change in the economic and industrial scenario, the role of accounting has also been changed over a period of time. Accounting Activity is no longer confined to the historical description of financial activities rather it is now being regarded as service activity i.e. providing information to various user groups. The user groups are management, employee, investors, trade unions, tax authorities, creditors, competitors, public etc. The Financial report made to the insider group is generally known as internal reporting, while made to the outsider groups is known as eternal reporting. The internal reporting is a part of management information system and the management makes every effort to make use of such information. However, the external reporting seems to be more crucial as the management is the supplier of information to various user groups outside the management and a gap is always found. Between the need and supply, Professionals within an organization perform accounting function. But the ultimate responsibility for the generation of accounting information rest with the management. The accountability of a company has two distinct aspects – legal and social. Under legal requirements a company has to supply certain information to the various users through annual reports and under the social obligation, a company has to provide additional information to various user groups. It is also suppressing to note that, many useful such information, are non- – mandatory in India and non – disclosure of such information is detrimental to the interest of investors and equity analysts. This may be considered one of the cause contribution lower market value of shares despite a higher book value. Therefore, a greater transparency in corporate financial reporting is desired.

Corporate disclosure with its determinant analysis has become a thrust area of research for various researchers and academicians. Many researchers have contributed towards exploration of this area of research. Still, many questions arise in the mind of an analyst or researcher as to why do different firms in the same industry have varying disclosure practices?. The need is to explore the area why the extent of information is differing among industries or in the same industry? Day by day the concept of disclosure is also changing. Now, it does not mean disclosing immaterial, irrelevant and vague information. Now, emphasis is laid on the qualitative aspect of information which is relevant to informed investors for making economic decisions. The main reason for this emphasis is that full and completed disclosure is the cornerstone to protect the shareholder's rights. Shareholders are the owners of a company and they should be informed about the working prospects of a company. Only through full and complete disclosure can shareholders feel confident that the firm in which they have invested their hard earned money is being operated with their best interests in mind. Forward-thinking companies report both financial and regulatory (operational) data to key external and internal constituents. They monitor market and stakeholder reactions to the reported information and then adapt their disclosure in response to such feedback as well as other market, regulatory and social developments. In return for such transparent and proactive reporting, the companies enjoy benefits such as stronger stakeholder relationships, greater support throughout all operations for reporting initiatives, larger following of investment analysts, easier access to capital and lower reputation risk"[1].

Corporate disclosure is critical for the functioning of an efficient capital market. Firms provide disclosure through regulated financial reports, including the financial statements, footnotes, management discussion and analysis, and other regulatory filings. In addition, some firms engage in voluntary communication, such as management forecasts, analysts' presentations and conference calls, press releases, internet sites, and other corporate reports. Finally, there are disclosures about firms by information intermediaries, such as financial analysts, industry experts, and the financial press. We believe that financial reporting and disclosure will continue to be a rich field of empirical enquiry. Further, There are significant changes in the economic environment, rapid technological innovation, the emergence of network organizations, changes in the business economics of audit firms and financial analysts, and the globalization of capital markets. These changes have the potential to alter the nature of financial reporting and disclosure, creating rich new opportunities for research"

LITERATURE REVIEW:

Measurement of accounting information quality is complex and difficult. In the past proxy measures have included relevance, conservatism, and objectivity (versus earnings management). However, accounting information quality can be also measured indirectly by investigating the motives and incentives of accounting information preparers. The demand for accounting information comes from various sources including managers, investors, lenders, employees, suppliers, customers, governments and the public (Alexander & Nobes, 2004).

In addition countries' legal traditions and capital markets structure can be expected to affect the availability and quality of accounting information (Ball, Robin & Wu, 2003; La Porta, Lopez-de-Silanes, Shleifer & Vishny, 2000).

Accounting information is of highest quality when it supports decision making of the highest quality. Optimal decision support thus is a purpose of accounting information that corresponds to decision usefulness. If a company's CEO considers tax compliance as the main purpose for preparing accounting information, s/he might be expected to invest less in a quality information system than when the quality of her/his decisions depended on that information system. Previous research suggests that in countries where tax compliance dominates and financial accounting practices are aligned with tax practices for purposes of keeping costs low, accounting information is less value relevant (Ali & Hwang, 2000). High conformity between financial and tax accounting compromises the value relevance of financial accounting information, as tax accounting is not designed to meet either managers or investors' needs (Young & Guenther, 2003).

Opacity of financial reporting, particularly earnings opacity, is important in two respects: reliability of financial information, and impact on economy. A high opacity index for a country indicates companies in that country have poor corporate governance, and poor governance leads to corporate failure. Prior studies have also shown a positive association between the level of corporate governance and the credibility of financial reporting systems (Farber, 2005). It, therefore, can be inferred that financial information from high opacity country firms is less reliable. Prior studies have also shown that an increase in earnings opacity leads to an increase in cost of capital, exactly the opposite of what market liberalization intends to do (Bhattacharya, Daouk, & Welker, 2003).

There has been significant diversity of financial reporting by countries in the world (Saudagaran & Diga, 1997). Prior studies have shown that diversity in accounting standards affects financial analysts' predictions (Ashbaugh & Pincus, 2001). The comparability and comprehension of financial reports from different countries, therefore, is a significant problem. Two recent events, however, have accelerated the harmonization of financial reporting standards. The first is that in 2002 the European Union (EU) approved a regulation requiring all companies listed in its regulated markets to follow the International Financial Reporting Standards (IFRS) starting in 2005.The second is that in 2007 the US Securities and Exchange Commission (SEC) eliminated the requirement for listed foreign companies that adopt IFRS to reconcile IFRS to US Generally Accepted Accounting Principles (GAAP) in Form 20-F. Currently, more than 90 countries in the world are requiring or converging toward IFRS (Ball,2006; Fajardo, 2007).

The adoption of the International Financial Reporting Standards (IFRS) by public firms around the world is one of the most significant financial accounting and reporting changes in accounting history. Currently, over 100 countries have implemented IFRS or at least have taken steps in adopting these standards in the future (Sacho & Oberholster, 2008). In Europe, every publicly traded company in the European Union (EU) member state is required to apply IFRS when preparing the consolidated financial statements (IASPlus (a). (n.d.). In the U.S., the Securities and Exchange Commission (SEC) has allowed non-US firms to file financial statements in accordance with IFRS of the IASB without reconciliation (SEC, 2007). In Asia, countries with substantial economies, such as Japan, India and China, are either in the process of transitioning to IFRS or have already converged to IFRS (PwC, 2008). In addition, most listed companies worldwide are directly or indirectly affected by IFRS issued by the International Accounting Standard Board (IASB). Accounting standards setting is shaped by both economic and political considerations (Ball, 2006). On the one hand, the IASB has to consider the interests of different parties including multinational corporations, audit firms, investment banks, international organizations, and various public authorities in Europe, China, the U.S. and elsewhere (Véron, 2007a). On the other hand, countries that are notably affected by the IASB standards have a stronger interest in the IASB's work and are seeking to influence it.

Influence of pro forma earnings disclosures on investor judgments:

Influence of pro forma earnings disclosures on investor judgments Pro forma earnings are a function of management discretion and are not uniformly defined; thus, the Securities and Exchange Commission (SEC) is concerned about the potential for proforma in formation to mislead investors (SEC, 2001).While the SEC acknowledges that pro forma information can serve useful purposes, they question whether the use of pro forma metrics confuses investors and makes comparisons between reporting periods and between companies difficult. Sharing this concern, Congress directed the SEC in Section 401 of the Sarbanes–Oxley Act (U.S. House of Representatives, 2002) to develop regulations to reduce or eliminate pro forma earnings disclosures which might be misleading (Entwistle, Feltham, & Mbagwu, 2006). The

SEC responded by issuing Regulation G (SEC, 2003), which requires the reconciliation of pro forma information to the corresponding GAAP measures. Frederickson and Miller (2004) suggest that the presence of pro forma disclosures influences nonprofessional investors' judgments through unintentional cognitive effects. Subsequent experimental (Elliott, 2006) and archival (Allee, Bhattacharya, Black, & Christensen,2007; Zhang & Zheng, 2011) research indicates that reconciling pro forma earnings disclosures to GAAP reduces the influence of pro forma emphasis earnings disclosures on nonprofessional investors' judgments. These studies, however, do not consider the fact that difference in financial reporting knowledge among nonprofessional investors are significant, which may affect how they acquire and integrate financial information, and, in turn, may influence their resulting judgments (Elliott et al., 2007, 2008). Frederickson and Miller (2004) find that nonprofessional investors who reviewed earnings press releases which report unreconciled pro forma figures that are greater than GAAP earnings assessed a higher future stock price than did those who examined a press release containing GAAP-only disclosures. At the same time, the presence of unreconciled proforma earnings disclosures did not affect the stock price judgments of professional investors. Supplemental analyses suggest that pro forma earnings disclosures influence non-professionals' judgments because of unintentional cognitive effects, rather than non-professionals perceiving the supplemental disclosures as informative. Professional investors' judgments are not affected by pro forma earnings disclosures because they appear to use well-defined valuation models that reflect an understanding of the relative importance of various pieces of financial information.

Similarly, Elliott (2006) finds that the earnings performance judgments of nonprofessional investors are higher when they are given a press release which emphasizes unreconciled pro forma earnings disclosures relative to the judgments of nonprofessional investors given GAAP-only disclosures. Professional investors' earnings performance and investment judgments, however, do not appear to be significantly different whether they view unreconciled pro forma emphasis or GAAP-only earnings disclosures. Further, Elliott finds that earnings performance and investment judgments of nonprofessional investors provided with a press release that emphasizes pro forma earnings and reconciles this measure to GAAP do not differ from those of nonprofessional investors given GAAP-only disclosures. This effect appears to occur because the reconciliation repackages information on differences between GAAP and pro forma earnings in a format that makes it easier for nonprofessional investors to acquire and incorporate into their judgments. Interestingly, earnings performance and investment judgments of professional investors provided with a pro forma earnings press release

reconciled to GAAP are higher than judgments of those provided with GAAP-only disclosures or unreconciled pro forma earnings disclosures.
This apparently occurs because professional investors have higher confidence in reconciled, as opposed to un-reconciled, pro forma disclosures.

OBJECTIVES OF THE RESEARCH:

- To identify whether the corporate reporting practices influence the investors perception in decision making or not.
- To identify the level up to which corporate reporting influences the investors decision making and whether they are sufficient or not.

RESEARCH METHODOLOGY:

A Comprehensive survey that asks experienced, nonprofessional investors to describe their perceptions about corporate reporting practices adopted by Indian corporate houses The study was done on 500 independent individual investors inclusive. Majority of the individual investors are the general public, who face typical problems in times of adverse conditions without having any tact. A questionnaire is administered to the sample investors in Lucknow and nearby areas. An interrogative questionnaire is designed for the study , and Cronbach Alpha is implied for the authenticity of the questionnaire, a set of defined parameters is established with the help of literature review and based upon those 47 parameters are identifies which are being analysed by factor analysis's and Principal component analysis through KMO barters test.
The study covers only the individual investor. Their perceptions on the disclosure practices in terms of a few parameters like: Disclosure of Risk Exposure, Disclosure of Additional Information in Financial Statements, Disclosure of information in Director's report, and Disclosure of information required for quoting a price tag in Book Building process. Investment depends upon various factors like risk, return, capital appreciation, tax-benefits and speculation. Investors may be classified as risk taker, risk neutral, and risk averter. Depending upon his risk perception, he makes an investment decision. Risk averter is one who avoids risk, therefore prefers to invest in regular income earning securities. On the other hand, a risk taker is one who is willing to take risk and invest in capital appreciation securities. A risk neutral is in-between.

DATA ANALYSIS AND INTERPRETATION:

In our measurement design, we have modified and combined the items of some scales (i.e. information averseness in general and impact of information on investment decision). Hence, we employed exploratory factor analysis in order to see to which extent these items would accumulate on the same factors. Firstly, KMO value shows that our study sample is adequate for factor analysis. Principal component analysis has extracted eight factors. Based on the varimax rotation method, the factor loadings of items and Cronbach's alpha values of factors in the final analysis can be seen. Meanwhile, financial literacy scale is not subject to factor analysis as an observed variable which is calculated through the true answers of participants.

Case Processing Summary

		N	%
Cases	Valid	500	100.0
	Excluded[a]	0	.0
	Total	**500**	**100.0**

a. Listwise deletion based on all variables in the procedure.

Summary Item Statistics							
	Mean	**Minimum**	**Maximum**	**Range**	**Maximum / Minimum**	**Variance**	**N of Items**
Item Means	3.324	1.350	4.482	3.132	3.320	.461	58
Item Variances	.860	.233	2.358	2.125	10.141	.122	58
Inter-Item Covariances	.049	-.519	.720	1.239	-1.386	.014	58
Inter-Item Correlations	.057	-.505	.794	1.299	-1.571	.019	58

Scale Statistics			
Mean	**Variance**	**Std. Deviation**	**N of Items**
192.77	211.421	14.540	58

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.665
Bartlett's Test of Sphericity	Approx. Chi-Square	2.785E3
	df	325
	Sig.	.000

Total Variance Explained									
Component	**Initial Eigenvalues**			**Extraction Sums of Squared Loadings**			**Rotation Sums of Squared Loadings**		
	Total	**% of Variance**	**Cumulative %**	**Total**	**% of Variance**	**Cumulative %**	**Total**	**% of Variance**	**Cumulative %**
1	3.442	13.239	13.239	3.442	13.239	13.239	2.261	8.696	8.696
2	2.543	9.782	23.022	2.543	9.782	23.022	2.249	8.652	17.347
3	2.129	8.189	31.211	2.129	8.189	31.211	2.197	8.449	25.796
4	1.749	6.728	37.939	1.749	6.728	37.939	1.977	7.604	33.400
5	1.677	6.451	44.390	1.677	6.451	44.390	1.893	7.280	40.680
6	1.325	5.096	49.486	1.325	5.096	49.486	1.579	6.074	46.754
7	1.178	4.529	54.015	1.178	4.529	54.015	1.560	5.999	52.753
8	1.044	4.015	58.030	1.044	4.015	58.030	1.372	5.277	58.030
9	.993	3.820	61.849						
10	.939	3.612	65.462						
11	.852	3.276	68.738						
12	.825	3.173	71.911						
13	.796	3.061	74.972						
14	.729	2.803	77.775						
15	.654	2.514	80.289						
16	.644	2.478	82.767						
17	.611	2.350	85.117						
18	.588	2.263	87.379						
19	.532	2.045	89.424						

Total Variance Explained									
Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
20	.500	1.924	91.348						
21	.483	1.858	93.206						
22	.436	1.679	94.885						
23	.400	1.540	96.425						
24	.347	1.335	97.759						
25	.305	1.175	98.934						
26	.277	1.066	100.000						
Extraction Method: Principal Component Analysis.									

Component Matrix[a]								
	Component							
	1	2	3	4	5	6	7	8
Investor consults research reports in Newspaper		.453						
Investor consult Microeconomic Analysis								
Investor consults Technical and Statistical Analysis						-.569		
Investor consult research reports on stock market related Websites?		.406						
News stories in the media have an impact on your investment decision?		.481						
Investment decision of the company have an impact on in decision making for the your stock? (e.g- company purchases stock of another company)		.574				.417		
Accounting information has an impact on investment decisions		.564						
rate of return on Investment have an impact on investment decision?		.561	-.484					
Information related to risk has an impact on investment decision		.569	-.442					
Market regulations has an impact on investment decision.		.547	-.435					
Business partners / Customers / Suppliers/ Competitors have an impact on investment decision								
nature of competition in the Industry have an impact on investment decision	.452							
size of the company have an impact on investment decision	.541							
Strategies regarding profit making has an impact on investor decision.	.487			.448				
brand name of the company has an impact on investment decision	.434			.431				

Component Matrix[a]

	Component							
	1	2	3	4	5	6	7	8
Accounting policies and Notes has an impact on investor's decision	.593							
Industrial sector sustainability analysis has an impact on investor's perception	.629							
Information about Employees satisfaction level has an impact on Investors decision	.652			-.412				
comparison between the companies performance has an impact on investor's decision	.625			-.459				
Investor uses Future prospects related information for making an investment decision	.441		.508					
global factors have an impact on investment decision	.426		.504					
Investor considers macro-economic factors (GDP /Growth Rate) for making investment decision?	.435		.444					
Discussion of the major factors likely influence following year's results					.630			
Investor considers total public and management expenditure.					.633			
Code of ethics or fiduciary oath of the company has an impact on investment decision						.450		
gain or loss of valuation of investment and other assets has an impact on investor decision				-.441				.514
Extraction Method: Principal Component Analysis.								
a. 8 components extracted.								

Rotated Component Matrix[a]

	Component							
	1	2	3	4	5	6	7	8
Investor consults research reports in Newspaper						.628		
Investor consult Microeconomic Analysis						.542		
Investor consults Technical and Statistical Analysis						.786		
Investor consult research reports on stock market related Websites?					.627			
News stories in the media have an impact on your investment decision?					.762			
Investment decision of the company have an impact on in decision making for the your stock? (e.g-company purchases stock of another company)					.740			
Accounting information has an impact on investment decisions			.460					

Rotated Component Matrix[a]								
	Component							
	1	2	3	4	5	6	7	8
rate of return on Investment have an impact on investment decision?			.703					
Information related to risk has an impact on investment decision			.814					
Market regulations has an impact on investment decision.			.737					
Business partners / Customers / Suppliers/ Competitors have an impact on investment decision	.493							
nature of competition in the Industry have an impact on investment decision	.695							
size of the company have an impact on investment decision	.717							
strategies regarding profit making has an impact on investor decision.	.654							
brand name of the company has an impact on investment decision	.487							
Accounting policies and Notes has an impact on investor's decision		.523						
Industrial sector sustainability analysis has an impact on investor's perception		.577						
Information about Employees satisfaction level has an impact on Investors decision		.819						
comparison between the companies performance has an impact on investor's decision		.811						
Investor uses Future prospects related information for making an investment decision				.739				
global factors have an impact on investment decision				.826				
Investor consider macro-economic factors (GDP /Growth Rate) for making investment decision?				.693				
Discussion of the major factors likely influence following year's results							.603	
Investor consider total public and management expenditure.							.832	
Code of ethics or fiduciary oath of the company has an impact on investment decision								.720
gain or loss of valuation of investment and other assets has an impact on investor decision								.773
Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization.								
a. Rotation converged in 8 iterations.								

Component Transformation Matrix								
Component	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**
1	.576	.650	.019	.413	-.160	-.086	.165	.119
2	-.005	.089	.701	.126	.572	.395	.041	-.011
3	-.315	.042	-.582	.574	.379	.273	.101	-.043
4	.657	-.447	-.186	-.065	.226	.093	.246	-.457
5	-.071	.082	-.119	-.391	-.044	.310	.764	.375
6	.082	-.123	-.044	-.013	.551	-.683	.098	.444
7	-.137	-.469	.336	.560	-.370	-.176	.405	.044
8	.325	-.354	-.083	.113	-.101	.400	-.379	.660

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.

Component Score Coefficient Matrix								
	Component							
	1	**2**	**3**	**4**	**5**	**6**	**7**	**8**
Investor consults research reports in Newspaper	.005	.017	.007	-.032	.036	.398	-.032	.084
Investor consult Microeconomic Analysis	-.007	-.113	.028	.124	-.063	.337	.082	-.002
Investor consults Technical and Statistical Analysis	.032	.083	-.057	-.086	-.053	.537	-.107	-.044
Investor consult research reports on stock market related Websites?	.078	.035	-.092	-.023	.349	.070	-.068	.037
News stories in the media have an impact on your investment decision?	.030	-.015	-.057	-.013	.418	-.020	.006	-.009
Investment decision of the company has an impact on in decision making for the stock? (e.g.- company purchases stock of another company)	.007	-.043	.061	.033	.399	-.122	.075	.004
Accounting information has an impact on investment decisions	-.104	.148	.188	-.087	.171	-.038	.067	-.175
rate of return on Investment have an impact on investment decision?	.044	.036	.307	-.078	.000	.032	.011	.030
Information related to risk has an impact on investment decision	-.090	-.021	.404	.058	-.041	-.119	.101	-.096
Market regulations have an impact on investment decision.	.058	-.106	.340	.077	-.135	.154	-.118	.168
Business partners / Customers / Suppliers/ Competitors have an impact on investment decision	.239	-.043	.135	.039	.069	-.095	-.191	.011
nature of competition in the Industry have an impact on investment decision	.353	-.050	-.040	-.053	.074	-.024	-.113	.093

Component Score Coefficient Matrix								
	Component							
	1	2	3	4	5	6	7	8
size of the company have an impact on investment decision	.349	.013	-.079	-.058	.103	-.003	-.095	.042
strategies regarding profit making has an impact on investor decision.	.296	-.074	.017	-.011	-.071	.071	.123	-.022
brand name of the company has an impact on investment decision	.180	-.099	.077	.106	-.177	.055	.235	-.180
Accounting policies and Notes has an impact on investor's decision	.097	.246	-.074	-.105	.035	-.005	.111	-.100
Industrial sector sustainability analysis has an impact on investor's perception	.005	.244	.011	.065	-.064	.059	.004	-.099
Information about Employees satisfaction level has an impact on Investors decision	-.045	.410	.007	-.096	.025	-.021	-.074	.028
comparison between the companies performance has an impact on investor's decision	-.132	.405	.022	-.009	.016	-.022	.002	-.015
Investor uses Future prospects related information for making an investment decision	-.099	.063	-.006	.374	-.005	-.024	-.059	-.024
global factors have an impact on investment decision	-.051	-.053	.033	.448	.018	-.062	-.037	.046
Investor consider macro-economic factors (GDP /Growth Rate) for making investment decision?	.078	-.131	-.012	.376	-.023	.064	.074	.011
Discussion of the major factors likely influence following year's results	.033	.058	-.093	-.081	.086	.087	.350	.106
Investor consider total public and management expenditure.	-.100	-.032	.072	.029	-.009	-.110	.571	-.026
Code of ethics or fiduciary oath of the company has an impact on investment decision	.032	-.037	.049	-.006	.042	-.105	.102	.517
gain or loss of valuation of investment and other assets has an impact on investor decision	.003	-.066	-.034	.035	-.044	.101	-.068	.592
Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization. Based on the above principal component variable analysis following variables has been identified:								

S. No.	Variable	Factors in variable
01	Business environment and strategic implementation has an impact on investment perception	size of the company have an impact on investment decision
		nature of competition in the Industry have an impact on investment decision
		strategies regarding profit making has an impact on investor decision.
		Business partners / Customers / Suppliers/ Competitors have an impact on investment decision
		brand name of the company has an impact on investment decision
02	Employees satisfaction , sustainable and competition approach has an impact on investment	Information about Employees satisfaction level has an impact on Investors decision
		comparison between the companies performance has an impact on investor's decision
		Industrial sector sustainability analysis has an impact on investor's perception
		Accounting policies and Notes has an impact on investor's decision
03	Risk adherence and regulatory impact on investment	Information related to risk has an impact on investment decision
		Market regulations have an impact on investment decision.
		rate of return on Investment have an impact on investment decision?
		Accounting information has an impact on investment decisions
04	Globalization and future prospects impact on investment	global factors have an impact on investment decision
		Investor uses Future prospects related information for making an investment risk decision
		Investor consider macro-economic factors (GDP /Growth Rate) for making investment decision?
05	Information disclosed has an impact on investment decision	News stories in the media have an impact on your investment decision?
		Investment decision of the company have an impact on in decision making for the your stock? (e.g- company purchases stock of another company)
		Investor consult research reports on stock market related Websites?
06	Financial report analysis has an impact Investment perception	Investor consults Technical and Statistical Analysis
		Investor consults research reports in Newspaper
		Investor consult Microeconomic Analysis
07	Discussion of major factors	Investor considers total public and management expenditure.

	and expenditure	Discussion of the major factors likely influence following year's results
08	Impact of valuation and ethical conduct on investment perception	gain or loss of valuation of investment and other assets has an impact on investor decision
		Code of ethics or fiduciary oath of the company has an impact on investment decision

CONCLUSION:

The objective of this paper is to increase our understanding of the factors associated with investors perception towards corporate disclosure , by studying an investor's decision towards investment based on voluntarily disclose information that are prevailing in the market . By focusing on the type of information that investor uses to apprehend its investment decision, the factor analysis helped us to identify the prominent factors which were majorly contributing in the decision of investors. We have been able to identify 8 principal components that have majorly contributed to investors' perception towards its investment horizons. Variable that came out was:

(1) Business environment and strategic implementation has an impact on investment perception which was mainly contributed by factors like size, nature of competition, brand name.
(2) Employees satisfaction, sustainable and competition approach has an impact on investment which were based on comparison, industrial sector sustainability, Accounting information ad employee satisfaction.
(3) Risk adherence and regulatory impact on investment has an impact and these were based on factors like Information related to risk has an impact on investment decision, Market regulations has an impact on investment decision, rate of return on Investment have an impact on investment decision and Accounting information has an impact on investment decisions.
(4) Globalization and future prospects impact on investment and these were based on the factors like global factors, future prospects and macro-economic factors.
(5) Information disclosed has an impact on investment decision been based on the factors like news story in media, investment decision of company and research reports.
(6) Financial report analysis has an impact Investment perception was based on the factors like technical and statistical analysis, reports in newspaper and micro economic analysis.
(7) Discussion of major factors and expenditure was based on the factors like management expenditure and companies yearly results.
(8) Impact of valuation and ethical conduct on investment perception were based on the factors like gain or loss of valuation of investment and code of ethics

Finally, our analysis sheds light on an important factors associated with investors perception about quantitative and qualitative information and disclosure practices adopted by companies as well .Specifically, we provide a testable explanation for why investment response coefficients are larger (smaller) when the firm reports good (bad) news, and we predict that voluntary disclosures should be more common the more extreme the news.

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