

VOLUNTARY DISCLOSURE OF INVESTMENT INFORMATIONS AT MALAYSIAN COMPANIES WEBSITE

Azrul Abdullah*, Rosiatimah Mohd Isa

Accounting Research Institute & Faculty of Accountancy, UiTM Perlis, 02600 Arau, Perlis

Tel: +60-4-9882316 E-mail: azrul229@perlis.uitm.edu.my

Norshamshina Mat Isa

Faculty of Business Management(Finance), UiTM Perlis, Arau, Perlis

Ahmad Zoolhelmi Alias

Faculty of Accountancy, UiTM Perak, Seri Iskandar, Perak

Abstract

This paper examined the voluntary investment information disclosed by Malaysian listed companies via their websites. A total of 100 companies listed on the Mainboard Bursa Malaysia were selected based on their market capitalization in attempting to explain the disclosure practices. Investment informations disclosure via the websites were analyzed across industry based on the score in the designated disclosure form. This study also identified the format of presentation for investment information in terms of multimedia usage. Finding of the study highlighted that the investment information disclosure and usage of the multimedia were still unsatisfactory.

Keywords: *Investment Information, Information Disclosure, Malaysian Listed Companies*

1. Introduction

In today's scenario, where the developing of internet technology, many companies tend to disclose investment information via their websites as one of the medium for business communications (see Lymer 1999; Craven and Marston, 1999; Hedlin 1999; Debrecey and Gray 1997; Brenan and Kelly 2000), as the old fashioned glossy corporate report is a long-awaited demise. As reported by many international studies, investment information disclosure on internet able to serve as one of the element to improve efficiency and good practice of information dissemination for a greater degree of transparency of its activities. This will then drive the formation and accumulation of the corporation's reputation on its future performance (i.e. Gowthorpe and Flynn 1997; Niamh 1998; Maines, Bartov, Fairfield and Hirst, 2002). Lev (1992), in addition, proposed that such ongoing investment information to shareholders on the company's activities via the internet capable to minimizes uncertainty among investors hence minimising the negative impacts on share prices. According to Ismail (2002) internet can be comprehensive tool for investors relation activities as it is capable to ensure instant and voluminous availability of information at low cost as well as targeting broader and easier dissemination of information.

Although internet could provide much benefit to investor communities, it was found that internet is unregulated. Companies are free to present and control the amount and type of investment data according to their own preference. Therefore, there are many variations on the types, contents, presentations, and retrieval/ files formats in the web sites among the companies. Due to this matter, it is believed that investors will be misled by such variation of contents and formats of investment information disclosed and later will make wrong judgement and perception on the company. Besides, such investment disclosure will create difficulties and time-consuming for investors to search for their desired information.

Therefore, the effectiveness of investment information sections in today's companies' websites is questionable. Previous international studies such as Brennan and Kelly (2000); Deller, Stubenrath and Weber (1999); Hedlin (1999), claimed that internet to be relatively cheap and extremely fast in presenting of useful investment information in various formats to the millions of people who use the internet every day. However, such investment information disclosures on the internet only practiced by several corporate sectors in developed countries. In Malaysia, a number of studies on the extent of investment disclosure by Malaysian companies (i.e. Ruhaya, Nafisah and Normahiran, 2000; Noor and Mohamad, 2000; Abdul Hamid, 2005; Abdul Hamid, 2005 and Khadaroo, 2005), reported that, the companies were not well utilized the full potential of investment disclosures due to the non-existence enforcement of specific guidelines. Companies were merely disclosed what they intended to disclose.

Based on the reported research findings, accounting regulatory bodies from various countries, including Malaysia, have taken the initiatives to help and encourage companies to utilise and make use of electronic media in providing useful information to their stakeholders. Thus, a question agitated the mind of researchers, "Are Malaysian companies making optimal use of the internet as a method of disseminating and disclosing investment information to investor in today's reporting environment?" This study attempts to answer the questions and highlight its findings. For a more accurate insight, the level of web based investment informations disclosed are examined in two essential aspects: (i) the contents and (ii) forms of information presentation.

2. Literature Review

Moving to electronic age, where internet becomes a favoured medium, an electronic disclosure of business information may serve several advantages to company stakeholders. If business information disclosed electronically, this might beneficial to the company since may help to reduce their production cost associate in delivering business information, enhance their valued added capabilities, effectively manage the supply of financial and non financial data and capable to reach a broader information's audience (see Louwers, Pasewark, William and Eric, 1997; Deller et al., 1999; Maines et al., 2002; Marston, 2003). According to Shelly and Vermaat (2009), a useful and high value of a Web site should meet their proposed criteria. They stated that, in evaluating the usefulness and the value of a web site, one could rely on: (i) Affiliation; the company should support the web site without bias in the information, (ii) Audience; the Web site should be written at an appropriate level, (iii) Authority; the Web site should list the author and the appropriate credentials, (iv) Content; the Web site should be well organized and the links should work, (v) Currency; the information on the Web page should be current, (vi) Design; the pages on the Web site should download quickly and be visually pleasing and easy to navigate, (vii) Objectivity; the Web site should contain little advertising and be free of preconceptions. As the company's information usually used to analyze the company's performance and ability particularly by existing and future investors, and realizing that the investment information via the internet is capable to offer such advantages to the investor community, a substantial number of studies provide evidence on usefulness of internet in disseminating and enhancing communication in terms of production and distribution costs associated (See Marston, 1996; Louwers et al., 1999; Connor, 2000; Khadaroo, 2005). It was claimed that, the more investors agreed to receive information electronically, the greater the potential savings would be for companies. In addition, there is several studies extent the evidence relating to investment information on the internet. These studies particularly focus on search ability and presentation capabilities of

investment information that allow companies to disseminate well about their business information (see Hedlin 1999; Marston, 2003; Abdul Hamid 2005).

Even though disclosure of investment information via the companies' websites is useful for companies and investor community, the information normally disclose voluntarily (see Ashbaugh 1999; Craven and Marston, 1999; Ettredge, Vernon and Susan 2002; Kerchoven 2002; Khadaroo 2005). International studies revealed that many companies do not fully utilise their websites. One of the earlier studies conducted by Petravick and Gillet (1996) claimed that only 69 percent companies in USA had websites and 54 percent had some form or investment information on their site. Similar study done Deller et al. (1999) reported that 91 percent USA's S&P 500 corporation were using the web for investor relation. In 1997 further study had been conducted in UK and Finland by Lymer and Tallberg. They claimed that companies based in UK and Finland limit their investment disclosure towards their business reporting in the websites. In another study conducted by Marston (2003) highlighted that only 68 Japanese companies were showing financial information and 57 providing detailed accounting information. The study stated that company size was not related to extent of the information disclosed but significantly related to the existence of the website. Similarly, Craven and Martson (1999) also reported the same finding in the study conducted in UK.

Although there have been considerable effort to measure the extent of companies' reporting via their websites, only a handful of them particularly addressed the issue of investment disclosure (see Marston, 1996; Hedlin 1999; Deller et al. 1999; Brennan and Kelly 2000; Ettredge et al. 2002; Maines, et al., 2002). In the USA, Louwer et al. (1996) revealed that most investment informations in the websites only cover the financial information. This financial information simply duplicates the hard copy or portion of the hard copy in hypertext form. In their study, they also found that most companies emphasize on other business information such as product and marketing information. However this information is hidden under the topics of corporate overview, stockholders informations and financial informations. This indicates that not much effort was made by firms to explain investment information in the websites. In another study, Hussey, Gulliford, and Lymer (1998) claimed that only leading companies have high tendencies to disclose financial information. The study showed that the investment information takes a number of different forms and mostly the summarization of the conventional published financial statement. Further investigation on investment disclosure also reported in 1999 by Hedlin which study on Swedish firms. The study found various investments information disclosed by the firms. Eighty three (83) percent of the firms had a financial report on the web and 12 percent had a hyperlink for the interpretation of financial report. In 2002 similar study also been conducted on the Irish companies by Brennan and Kelly. The study revealed that the investment information presented in 84% of the companies via their website.

In Malaysia, research on investment information disclosures is still at the establishment stage. Few studies were found with regard the disclosure of investment information in the company's website (i.e. Ruhaya, Nafisah and Normahiran 2000; Noor and Mohamad 2000; Nik and Amdan 2001; Salleh, Nariah Mazlin and Shireejit 2002). These studies gave descriptions on the trend of internet reporting in Malaysia. Extended study conducted by Khadaroo (2005) showed that there still a variation in the extent of internet information reporting practices of Malaysian listed companies as compared to Singapore. Companies in Singapore have a greater web presence compared to Malaysia. Investment informations was

reported not well presented to the investor in the company's web by Malaysian companies. Meanwhile Abdul Hamid (2005) further highlighted that Malaysian companies were not utilized the full potential of the internet as they are more rely on traditional way of investor relation. The study highlighted that 93 percent companies provided company background in their websites, 50 percent showed historical press release, 45 percent showed current annual report and 31 percent for EPS. The study presumed that company size could be one of the factors of such disclosure.

3. Data and Methodology

3.1 Sampling and data collection

A sample of 100 companies was selected from the list of top companies in 2008 (according to market capitalization). The sample size was assumed sufficient as it satisfied the rule of thumb proposed by Roscoe (1975) who suggested that a sample size larger than 30 and less than 500 is appropriate for most researches. Following this rule of thumb, many researchers concluded their study based on different number of sample size. For example, Lymer (1999) who studied the adequacy of Internet Financial reporting in UK only employed 50 top companies. Subsequently, Marston (2003) in examining internet financial reporting by leading Japanese companies used only 99 top Japanese companies.

3.2 Investment Disclosure Measurement

To identify the investment disclosure, this study began by monitoring Malaysian listed companies websites for a year. Later, a checklist of instrument was then developed. Supported by previous studies on disclosure (e.g. Wallace, Naser and Mora 1994; Wallace and Naser, 1995) which stated that there was no theory on the number and selection of items to be included in the disclosure, hence, this study classified investment information disclosure into 3 themes (i.e. *Strategic Information, Financial Information and Non Financial Information*) that contains 12 categories of item. Then, a score sheet was prepared to determine the number of investment information reported in the website of the sample firms. A score of 1 is given for each item disclosed and 0 for each item not disclosed by each company.

4. Finding and Discussion

From the study of 100 Malaysian listed companies, only 95 companies (95%) were found to have their own websites. As compared to previous study on the internet disclosures such as by Abdul Hamid (2005), and Khadaroo (2005), this study reported an increment in the number of companies that own web site, approximately by 20 percent. This increment might be due to the different period of the studies and enhancement of the company awareness (see Abdul Hamid, 2005; Khadaroo, 2005). For investment disclosure on the company's websites, this study reduced the sample size to 95 companies due to the non-existence of websites of the five companies. The five companies were from manufacturing, trading/services, and others sectors.

Connor O'Kelly (2000) highlighted that one of the user demands that drive reporting to online media was due to richness in terms of new media, graphic, rich contents and multimedia capabilities. In terms of multimedia and presentation format of disclosure, we found that only 40 companies adopted animation in their website (Table 1). The highest number of disclosure was from property industry (14 companies), followed by manufacturing (10 companies), plantation (8 companies), and trading and services/others (8 companies). No animation presentation format was found in construction sector. Audio presentation seemed to be the least popular among the Malaysian companies as only five companies were reported (i.e. three

from manufacturing industry and the remaining by property industry). In this study, we found that none of the companies adopted XBRL (Extensible Business Reporting Language) for financial reporting format during the period of study. Annual report in PDF format was another form of disclosure via company website. It was found that 69 companies disclosed annual report (at least 1 year) in this format. The industry breakdown in Table 1 revealed that construction sector disclosed the highest (20 companies) while property sector was the lowest.

Table 1
Multimedia and Format of Presentation Investment Information

TYPES OF INDUSTRY	Annual report in PDF format	Animation	Video	Audio
Manufacturing	11	10	2	3
Property	10	14	0	2
Construction	20	0	0	0
Plantation	16	8	0	0
Trading and Services/ others	12	8	4	0
TOTAL	69	40	6	5

The entire attributes for investment disclosure practiced by Malaysian listed companies in this study were divided into 3 themes (i.e. *Strategic Information, Financial Information and Non Financial Information*). The results in Table 2 showed that the level of investment information disclosure varied among industry. Eighty nine companies disclosed corporate information on their websites. The construction and plantation industries disclosed the highest (20 companies each) while manufacturing industry was the lowest (14 companies). For the information on sustainability, 89 companies disclosed them on their websites. The highest number of disclosure comes were from the construction and plantation industries (20 companies each) while the lowest was from manufacturing industry (14 companies). In term of future prospect information, only 38 companies quoted theirs on websites. The plantation industry seemed to be the highest to disclose (12 companies) and the lowest was trading and other industry (3 companies). In term of research and development project information via websites, it was found that only small numbers of companies (18) disclosed them. The low disclosure was due to the fact that not all companies have Research and Development project. Only 45 companies disclosed their corporate strategy information. Most of the information was found in the Chairman or CEO (Chief executive Officer) statement. The highest number of disclosure was construction industry (15 companies) and the lowest scored by property industry (4 companies).

Table 2
Distribution of Investment Information on Malaysian listed companies' Website by Industry

Investment information	TYPES OF INDUSTRY					TOTAL
	Manufacturing	Property	Construction	Plantation	Trading services & other	

	No	%	No								
Strategic Information											
Corporate Information	14	16%	18	20%	20	22%	20	22%	17	19%	89
Corporate Strategy	8	18%	4	9%	15	33%	8	18%	10	22%	45
Research & Development	4	22%	0	-	0	-	12	67%	2	11%	18
Future Prospect	5	13%	8	21%	10	26%	12	32%	3	8%	38
Sustainability	14	16%	18	20%	20	22%	20	22%	17	19%	89
Financial Information											
Annual report	11	16%	10	14%	20	29%	16	23%	12	17%	69
Quarterly report	3	15%	3	15%	7	35%	5	25%	2	10%	20
Financial highlight/Ratio Analysis	4	16%	2	8%	8	32%	8	32%	3	12%	25
Share price Information	8	15%	8	15%	15	28%	16	30%	6	11%	53
Non Financial Information											
Director Information	10	14%	12	17%	20	28%	16	23%	13	18%	71
Social Policy and Valued added Info	13	17%	10	12%	20	26%	20	26%	15	19%	78
Employees Information	7	21%	2	6%	10	29%	12	35%	3	9%	34

In examining the financial information on the website, the study found that a total of 69 Malaysian listed companies disclosed their annual reports, and a smaller number disclosed quarterly reports (20 companies). Apart from this, 25 companies disclosed financial highlight or ratio analysis in which the highest number of disclosure was from plantation industry (8 companies) and the lowest came from Trading and Services/Other industry (3 companies). As for the share price information, 53 companies found to disclose the information. With respect to non-financial information, the top item disclosed is social policy and value added information, which were available in 78 companies' websites. When examining into sectors, plantation industries score the highest (20 companies) while property industry was the lowest (10 companies). Other non-financial information that most companies disclosed in their website was director information (71 companies), where the companies in the construction industry reported the highest number (20 companies). The study also revealed that the least popular information disclosed in this category was employees information (34 companies).

Table 3
Voluntary Disclosure of Investment Information at Malaysian Companies Website

TYPES OF INDUSTRY	Full Disclosures		At least 2 categories Investment Information		At least 1 category Investment Information		TOTAL
	No.	%	No.	%	No.	%	
• Manufacturing	10	10%	4	4%	6	7%	20
• Property	6	7%	10	11%	4	4%	20
• Construction	15	16%	5	5%	0	0%	20
• Plantation	16	17%	4	4%	0	0%	20
• Trading&Services/ others	5	5%	4	4%	6	7%	15
TOTAL	52	55%	27	28%	16	17%	95

Table 3 showed the voluntary investment information disclosure practiced across industries. It was found only 52 companies (55% of the 95 companies) made full investment disclosure on their website as Plantation and Construction sectors score the highest investment information disclosure as compared to other sectors. 27 companies (28%) disclose at least two categories of financial information and 16 companies (17%) reported to disclose at least 1 category of investment information in their website.

Table 4 showed the descriptive statistics on different types of investment disclosures. The mean scores for the five strategic information items, four for financial items, and three for non financial disclosure items were 3.25, 1.58, and 1.49, respectively. The level of overall voluntary investment information disclosed (TOTAL) in the sample range widely. The highest score was 11, and the lowest was 0. The mean of 3.65 and median of 5, indicated the extent of Investment disclosure of our sample tends to be limited according to our investment information measurement scheme. Since the disclosure items were all voluntary in nature, it was not surprisingly that the mean score was low.

Table 4
Descriptive Statistics

	Mean	Std Dev.	Min	Median	Max
<i>Investment Information Disclosure</i>					
Strategic Information	3.25	0.289	0	3	4
Financial Information	1.58	0.132	0	2	4
Non Financial Information	1.49	0.122	0	2	3
Total	3.65	0.312	0	5	11

5. Conclusion

With respect to the extent of investment information, this study found that Malaysian companies attentive in disseminating their strategic information and non-financial information in the web sites as compared to the previous researches' findings (e.g. Abdul Hamid, 2005, and Khadaroo, 2005). However, there were five companies did not have their website during the period of study. None of the companies used XBRL reporting format. In terms of multimedia application, only 40 companies adopted flash animation, six companies used video and five companies used audio to disseminate information via websites. Less than 50 companies disclosed information pertinent to future prospects, research and development, quarterly report, financial highlight and information related to the employees. Only 52 companies reported to be full disclosure they disclosed all the three major groups of investment information. The overall level of voluntary investments information in the sample range widely. The highest number of disclosure was 11, and the lowest was 0. The mean (median) was 3.65 (5), which indicates that the extent of investment information disclosure of our sample tend to be limited, according to our investment information measurement scheme. Since the disclosure items are all voluntary in nature, it was not surprisingly that the mean score was low. It was observed that little effort taken by some Malaysian companies in producing investment information to investor community through their websites. Investor may not gain much information because effective comparison could not be made due to the variation of information and lack of reporting among firms. Regulators should encourage companies to disclose more investment information in the website and at the same time finding the ways to standardize information through electronics reporting. Due to the emerging of technology advancement nowadays, this would provide easiness and confidence to the investor in obtaining information to the companies' performance and making investment decision. Since this study only addressed the investment information at the firm

level and highlight how the companies disclosed such information, it is recommended for further study to focus on how useful the investment information would be to the investors. It is also can be addressed by comparing firms across countries.

References

- Abdul Hamid, F. Z. (2005). Malaysian Companies use of the internet for investor relations', *Corporate Governannce*, 5(1) 5-14
- Abdullah, A. and Ku Ismail K. N. (2008). Disclosure of Voluntary Ratios by Malaysian Listed Companies. *Journal of Financial Reporting and Accounting*, 6, 1-20
- Ahmed, K. and Courtis, J.K. (1999). Associations between corporate characteristics and disclosure level in annual reports: a meta-analysis. *British Accounting Review*, 31, 35-61.
- Ahmed, K. and Nicholls, D. (1994). The impact of non-financial company characteristics on mandatory disclosure compliance in developing countries: The case of Bangladesh. *The International Journal of Accounting*, 29(1), 62-77.
- Ashbaugh, H., Karla, M.J. and Terry, D.W. (1999). Corporate reporting on the Internet. *Accounting Horizons*, 13(3), 241-257.
- Botosan, C. (1997), Disclosure level and the Cost of Equity Capital, *The Accounting Review*, 72(3), 323-49.
- Brennan, N., and Kelly, S. (2000), Use of the internet by Irish companies for investor relations purposes, *Accountancy Ireland*, August 2000, 23-25.
- Craven, B. M and Marston C. L. (1999). Financial reporting on Internet by leading UK companies. *The European Accounting Review*, 2, 321-333.
- Connor, O'Kelly (2000). Business reporting on the Internet: Reporting gets personal, *Accountancy Ireland*,), August 2000, 32(4).
- Debreceeny, R. and Gray, G.L. (1997). Locking the Internet door. *Journal of Australian Society of Certified Practising Accountants*, 67(4), 26-28.
- Deller, D., Stubenrath, M., and Weber, C. (1999), A survey on the use of the internet for the investor relations in the USA, UK and Germany, *The European Accounting Review*, 8(2), 351-64.
- Ettredge, M., Vernon, J. R. and Susan, S. (2002). Dissemination of information for investor at corporate website, *Journal of Accountancy and Public Policy*, 21(4), 357-361.
- Firth, M. (1979). The impact of size, stock market listing and auditors on voluntary disclosure in corporate annual reports. *Accounting and Business research*, Autumn, 273-280.

- Gowthorpe, C. and Flynn, G. (1997). Reporting on the Web: The state of the art, *Accountancy*, London: August 1997, 20 (1248).
- Hedlin, P. (1999), "The internet as a vehicle for investor relations: the Swedish case", *The European Accounting Review*, 8(2), 373-81.
- Hussey, R., Gulliford, J.R. and Lymer, A. (1998), *Corporate Communications: Financial Reporting on the Internet*, Deloitte & Touche, London.
- Inchausti, B. G. (1997). The Influence of Company Characteristic and Accounting Regulation on Information Disclosed by Spanish Firms. *The European Accounting Review*, 6(1), 45-48.
- Ismail, T. H. (2002). An Empirical Investigation Of Factors Influencing Voluntary Disclosure Of Financial Information On The Internet In The GCC Countries, *Working Paper Series*.
- Khadaroo, I. (2005). Corporate reporting on the internet in Malaysia and Singapore, *International Journal of Coporate Communication*, 10(1), 58-68
- Lev, B. (1992), Information disclosure strategy, *California Management Review*, Summer, 9-32.
- Lymer, A. (1999). The internet and the future of coporate reporting in Europe. *The European Accounting Review*, 8(2), 289-301.
- Lymer, A. (2000). Investor information online-the future corporate reporting? *Accounting*, 7(3), 45.
- Lymer, A., and Tallberg, A. (1997): Corporate Reporting and the Internet - a Survey and Commentary on the Use of the WWW in Corporate Reporting in the UK and Finland. *Paper presented at the 20th Annual Congress of the European Accounting Association*, Graz, Austria.
- Louwers, T. J., Pasewark, William R. T. and Eric W. (1997). 'The Internet: Changing the way corporations tell their story', *The CPA Journal*, New York: Nov 1997. 66(11).
- Marston, C. (1996). The organization of investor relations function by large UK-quoted companies. *International Journal of Management Science* 24(4), 477-488.
- Marston, C. (2003), "Financial reporting on the internet by leading Japanese companies", *Corporate Communications: An International Journal*, 8(1), 23-34.
- Maines, L., Bartov, E. M., Fairfield P., and Hirst D. E. (2002). Recommendations on Disclosure of Non Financial Performance Measure, *Accountancy Horizons*, December, 16 (4).
- Naser, K. (1998). Comprehensiveness of disclosure of non-financial companies listed on the Amman financial market. *International Journal of Commerce and Management*, 8(1), 88-119.

- Noor, A.I. and Mohamad, T. (2000). Financial reporting disclosure on in the internet by Malaysian public-listed companies. *Akauntan Nasional*, 13(9), 28-33.
- Niamh B., and Denis H. (1998). Corporate reporting on the Internet by Irish companies . *Accountancy Ireland*, 30(6), 18-36
- Nik, M.Z. and Amdan, M. (2001). *Web-based financial reporting in Malaysia*. Unpublished Manuscripts, Universiti Tenaga Nasional, Bangi, Malaysia.
- Petravick, S. and Gillet, J. (1996). Financial reporting on the World Wide Web. *Management Accounting*, July, 26-9.
- Raffournier, B. (1995). The determinants of voluntary financial disclosure by Swiss listed companies. *The European Accounting Review*, 4(2), 261-280.
- Roscoe, J. T. (1975). *Fundamental Statistics for the Behavioural Science*. New York: Holt, Rinehart and Winston.
- Ruhaya, A., Nafsiah, M and Normahiran, Y. (2000). *E-reporting of corporate financial information*. Unpublished manuscripts, Universiti Teknologi Mara, Shah Alam, Malaysia
- Salleh, H., Nariah, J., Mazlin, M.Z. and Shireejit, K.J. (2002). Financial reporting on the internet by Malaysian Companies: Perceptions and Practices. *Asia Pacific Journal of Accounting*, 6(2), 28-32.
- Shelly, B. G. and Vermaat, E. M. (2009). *Discovering Computer2009*. USA. Course Technology, Cengage Learning.
- Singhvi, S., and Desai, H. B. (1971), An empirical analysis of the quality of corporate financial disclosure, *Accounting Review*, No.1, 129-38.
- Wallace, R.S.O., Naser, K. and Mora, A. (1994). The relationship between the comprehensiveness of corporate annual reports and firm characteristics in Spain. *Accounting and Business Research*, 25(97), 41-53.
- Wallace, R.S.O. and Naser, K. (1995). Firm-specific determinants of the comprehensiveness of mandatory disclosure in corporate annual reports of firms listed on the Stock Exchange of Hong Kong. *Journal of Accounting and Business Research*, 18(72), 352-362.
- Watts , R. and Zimmerman, J. (1978). Towards a positive theory of the determination of accounting standard,. *The accounting review*, 53, 112-134.