

T H E I M P A C T O F A N N U A L
F I N A N C I A L S T A T E M E N T S
O N S H A R E V O L U M E
I N K L S E

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BY

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PREFACE

This research paper has been carried out to determine whether there is a relationship on the date of annual financial statement releases to the share volume traded in Stock Market in Malaysia. The relationship might show whether the information content in the financial statement can help the public make financial decisions.

A regression analysis would be made to support whether there is relationship between the two variables, that is whether the dependent variable, shares volume traded is affected by the independent variable, date of annual financial statements released.

As the research was prepared as partial fulfillment for the requirement of the Advanced Diploma in Accountancy course, the content is therefore not meant for official use. As the author of the research has limited knowledge and experience in the subject matter, it could be do injustice to compare the research with work produced by prominent contributors to the study of this subject.

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1. INTRODUCTION

A. Introduction

Under the International Accounting Standard No. 5 Financial statements are required among other purposes for making evaluations and decisions. The users cannot make reliable judgments unless the financial statements are clear and understandable. The information to be disclosed in the financial statements include the balance sheet , income statement, notes and other statements and explanatory material which are identified as part of the financial statements.

The managements of such companies may prepare financial statements for theirs own use in a number of different ways best suited for internal management purposes. However when financial statements are issued to other person such as shareholders, creditors, employees and the public , the management should conform to the International Accounting Standard ¹ to give a consistent presentation to all the users. In Malaysia we have adopt