

Different Sources of Corporate Financial Information and Investment Decision Opportunity: Evidence from Amman Stock Exchange

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Abstract

This study was designed to examine the importance of different corporate financial information sources in investment decision-making. To achieve this objective, 94 Jordanian individual investors were surveyed. The result of study indicated that Jordanian individual investors ranked corporate annual reports as the most important source of information for the purpose of their investment decision-making. This followed by the published daily share prices, corporate web sites, newspapers and magazines, advice of friends, discussion with company staff, stockbrokers' advice and tips and rumours respectively. Thus, the findings of study revealed that Jordanian individual investors place more emphasis on the usage of written information rather than verbal information for the purpose of investment decision-making. The results also indicated that the usage of corporate annual report and the discussion with company staff contribute significantly towards a good investment opportunity. This indicated that Jordanian individual investors were very careful in their investment decision-making process in that they prefer to depend on those sources that issued by the intended companies.

Keywords: Financial information sources, Individual investors, Investment opportunity, Amman Stock Exchange, Jordan

1. Introduction

A sound knowledge of Jordan and its cultural particularities are very important for a successful experience working in the country (Langhans, 2009). Jordan has a stable political and democratic environment with a positive investment environment. In this context, Hutaibat (2005) argued that the Jordanian business environment is more competitive than it in past. It has been argued that Jordan recently collected its focused to reform its economy system in a way that provides the basic steps for thriving into the third millennium (Rawabdeh, 2008). From the early 1990s, Jordan has been seeking to reformulate economic and legal frameworks to attract foreign investment (Shanikat, 2008). Jordan has recognized that continued economic restructuring relies significantly on a more proactive role for the private sector. Therefore, Jordan started a privatization program in 1996 aimed at enhancing enterprise ability to compete in the recent competitive market (Awamleh, 2002). The economic adjustment program that has taken place in Jordan brought with them the need to change the accounting systems in the country (Al-Akra, Ali & Marashdeh, 2009).

Many regulative institutions have played an important role in developing accounting in Jordan. The Amman Stock Exchange (ASE) has focused mainly on developing financial accounting reporting standards and disclosure in Jordan. Income and sales tax regulations have played a big role in developing financial accounting by obliging companies to keep regular accounts. Therefore, under article 22 of the Income Tax Law and article 18 of the General Sales Tax Law, companies are obliged to keep regular financial records for their incomes and expenditures (Income and Sales Tax Department, 1985, 1994). In addition, the Companies Law 1989 require Jordanian companies to prepare an annual report, including a broad set of financial statements such as a profit and loss account and balance sheet (Abu-Nassar & Rutherford, 1996).

Professionally, in 1987, the Jordanian Association of Certified Public Accountants (JACPA) was established in October 1992. JACPA became a member of the International Federation of Accountants (IFAC) (Al-Akra et al.,

2009). In 1989 and 1990, JACPA decided to adopt International Auditing Standards (IAS) and International Accounting Standards (IAS) respectively. The most important development was achieved by the Securities Exchange Commission (SEC) in 1998 when a legal requirement was issued for companies to use International Accounting and Auditing Standards (Hutaibat, 2005).

Despite that researchers (e.g. Abdelsalam, 1990; Abu-Nassar & Rutherford, 1995, 1996; Al-Ajmi, 2009; Al-Attar & Al-Khater, 2007; Al-Razeen & Karbhari, 2004a, 2004b, 2007; Desoky, 2010; Naser et al., 2003; Chatterjee, Mirshekary, Al Farooque & Safari, 2010; Al-Abdulqader, Hannah & Power, 2007; Mirshekary & Saudagaran, 2005) have been started to give more emphasis to financial reporting and the related issues such as disclosure and financial information sources in developing countries, this study comes as a starting point to identify the effect of the usage of a broad set of information sources on the Jordanian individual investment opportunity. However, Al-Akra et al. (2009, p. 164) reported that previous accounting research has focused on developed countries, while Jordan and other Middle Eastern countries have been neglected despite recent changes in its economic and accounting regulatory environments.

This research seeks to contribute to the development of knowledge in this field in Jordan as a developing country and to identify the main useful information sources for individual investor decision-making. Thus, the main justification for conducting the current study is that no previous research in the field was investigated the relationship between the usage of different sources of corporate financial information and the investment decision opportunity. Consequently, the current study seeks to answer the following two questions from the perspective of individual investors (see Figure 1):

Question One: *What is the importance of different corporate information sources on offering a good investment opportunity?*

Question Two: *What is the influence of the extent of usage of different sources of corporate financial information on offering a good investments opportunity for Jordanian individual investors?*

To answer the research questions, a survey research methodology was used, which involved a quantitative approach. One interesting finding indicated that Jordanian individual investors place more weight on the usage of written information rather than verbal information for the purpose of investment decision-making. The result also indicated that the usage of corporate annual report and the discussion with company staff contribute significantly towards a good investment opportunity.

The reminder of the paper is organized as follows. Section two presents the relevant literature in the subject and hypotheses to be tested. Section three describes data collection process, study variables and statistical techniques adopted. Section four reports the finding of the study. Section five concludes the study.

2. Previous Literature and hypotheses development

To make investment decisions in the firms' shares, investors expect the firms to disclose a set of information about their financial position, sources of finance, management forecasts, investment plans, and financial policies (Al-Ajmi, 2009). According to Hellman (2005), the follow-up of an idea for investment action involved two ways of collecting information. The first one is by deriving it from the daily flow of information, while the second one is by undertaking an active search for information oneself. The daily flow of information mainly comprised public information; while the information that was actively sought was primarily non-public information. Public information was actively sought from all the original and intermediary information sources, while non-public financial information was actively sought from two information sources: quoted companies and external advisors. However, Original information sources refer to the quoted company, the stock market, other investors and original sources in the environment such as competitors, customers, suppliers, banks, the State, and forecast institutes. Information intermediaries refer to external advisors, news agencies and mass media. Public information is defined as including all information that is equally available to the mass media. With respect to quoted companies, this includes all the information they publish in writing (e.g. financial reports) and verbal presentations in forms to which the media have access. Non-public information is defined as all information that is not public, such as information from external advisors to their client institutional investors and verbal information from quoted companies to institutional investors, to the extent that this information is not available to mass media.

However, previous research in the field has criticized corporate annual reports for many reasons. For example, corporate annual report was found to be difficult to understand (Abu-Nassar & Rutherford, 1996; Al-Attar & Al-Khater, 2007) and deficient in providing the necessary information due to a lack of adequate detail and a delay in publishing (Mirshekary & Saudagaran, 2005). Therefore, investors have focused on other sources to take a right investment decision such as newspapers, government agencies, friends, stockbrokers, managers and

others (see for example; Al-Ajmi, 2009; Al-Razeen & karbhari, 2004a; Baker & Haslem, 1973; Mirshekary & Saudagaran, 2005).

In terms of the importance of the various sources of corporate information, early in Jordan, Abu-Nassar and Rutherford (1996) asked respondents to indicate the importance of eight possible sources of information in taking their investment decision. These include: corporate annual reports, stockbrokers' advice, newspapers, magazine and journals, tips and rumours, visits to company and communication with management, Amman Financial Market statistics (now called Amman Stock Exchange), discussions with colleagues and advice of friends. Of the five users group, the results showed that four groups ranked corporate annual reports as their primary source of information, with bank loan officers rating them third and giving priority to, first, visits to companies and communication with management and, secondly, discussions with colleagues. The second most important source of information overall was visits to companies and communication with management. Stockbrokers' advice and newspapers and magazines, found to be among the least important source of information for investors in Jordan. In Kuwait, Naser, Nuseibeh and Al-Hussaini (2003) findings revealed that individual investors ranked the direct information from companies as the most important source of information for the purpose of their investment decision. In Saudi Arabia, Al-Razeen and Karbhari (2004a) investigated the importance of corporate annual reports, interim reports, specialists' advice, friends' advice, newspapers and magazines, specialized publications, direct information from companies and market rumours as information sources for investment decision making. The results indicated that users saw annual reports as the most important source of information. This followed by interim reports, direct information from company, specialists' advice, specialized publications, newspapers and magazines, friends' advice and market's rumours respectively (see also Al-Razeen & Karbhari, 2007). In Sweden, Hellman (2005) found that the most important sources were various forms of written and verbal information from the companies. In particular annual corporate reports, communication with management, direct company contact, company visits, in-company analysts' meetings, interim reports, and prospectuses all received high rankings. A certain tendency for verbal company information to increase in importance at the expense of the written company sources was apparent over time. In Iran, Mirshekary and Saudagaran (2005) findings indicated that the annual reports were the most important source of financial information. This followed by oral information, published daily share price, communication with managers, tips and rumours, stockbrokers' advice and advice of friends and acquaintances respectively. In Qatar, Al-Attar and Al-Khater (2007) sought opinion from the respondents on the importance of different sources of financial information, namely government publications, newspapers, specialized publications, visit to the company, stockbrokers advice, market rumours and advice from friends for investment decisions. The results indicated that government publications were the most important source of information with a mean of 3.97. The second most important sources were the newspapers, magazines and journals. Advice investment services were considered the third most important source of financial information. This followed by visit to company, stockbrokers' advice, advice of friends and market rumours respectively. In Bahrain, findings from Al-Ajmi (2009) revealed that annual reports appeared to represent the most important source of information from which investors derive the necessary information for making their investment decisions, as it was ranked first (mean 4.53). This, however, followed by personal expectations, advice from consultants, advice from bankers, newspapers, advice from stockbrokers, other sources, advice from friends and rumours from the market respectively. In Egypt, Desoky (2010) found that individual investors ranked electronic source of financial information as the most important source of information followed by specialized newspapers and magazines as second, with corporate annual reports third in importance.

The above mentioned studies revealed mixed results. This study incorporated a broad range of financial information sources to assess their importance and influence on taking the investment decision of individual investors in ASE. The questionnaire sought information from individual investors to achieve the study objectives. However, to the best of my knowledge, this study is one of the first studies that tried to assess the relationship between a broad set of corporate information sources and good investment opportunity. However, the previous research in the field (e.g. Abu-Nassar & Rutherford, 1996; Al-Ajmi, 2009; Al-Attar & Al-Khater, 2007; Al-Razeen & karbhari, 2004a; Desoky, 2010) revealed that investors have used many sources of information, and no one source was found to be the best or was the most used source across these studies. Thus, it can be argued that all the corporate information sources are useful for investment decision-making. Accordingly, it can be hypothesized: (see Figure 1):

Hypothesis 1: *The extent to which the Jordanian individual investors use corporate annual reports as a corporate information source is positively associated with a good investments opportunity.*

Hypothesis 2: *The extent to which the Jordanian individual investors use stockholders' advice as a corporate*

information source is positively associated with a good investments opportunity.

Hypothesis 3: *The extent to which the Jordanian individual investors use published daily share price as a corporate information source is positively associated with a good investments opportunity.*

Hypothesis 4: *The extent to which the Jordanian individual investors use discussion with company staff as a corporate information source is positively associated with a good investments opportunity.*

Hypothesis 5: *The extent to which the Jordanian individual investors use newspaper and magazine as a corporate information source is positively associated with a good investments opportunity.*

Hypothesis 6: *The extent to which the Jordanian individual investors use advice of friends as a corporate information source is positively associated with a good investments opportunity.*

Hypothesis 7: *The extent to which the Jordanian individual investors use tips and rumours as a corporate information source is positively associated with a good investments opportunity.*

Hypothesis 8: *The extent to which the Jordanian individual investors use corporate web sites as a corporate information source is positively associated with a good investments opportunity.*

3. Research method

3.1 Sample selection and data collection

The primary objective of financial reporting is to provide decision-useful financial information to a wide variety of present and potential users such as individual investors, institutional investors, stockbrokers, bank loan and investment officers, auditors, financial analysts, government official, tax officers, academics and others (e.g. Abdelsalam, 1990; Abu-Nassar & Rutherford, 1995, 1996; Al-Abdulqader, Hannah & Power, 2007; Al-Ajmi, 2009; Al-Razeen & Karbhari, 2004a, 2004b, 2007; Chatterjee, Mirshekary, Al Farooque & Safari, 2010; Mirshekary & Saudagaran, 2005; Naser et al., 2003). This study focuses mainly on individual investors. Most of previous research in the field (e.g. Al-Abdulqader et al., 2007; Al-Ajmi, 2009) divided individual investors into large and small investors. I argue that it is more accurate to take investors as one group without dividing them into categories of small and large. The rationale for this argument is built on three reasons. Firstly, there is no guarantee for small investor to stay small. For example, one may turn from small to large investor within days. Secondly, there are no clear definitions for the two categories. Thus, there are no clear standards to differentiate between them. Thirdly, the equity of stocks depends mainly on the financial ability of the investors. Accordingly, a decision was taken to consider individual group in this study as one group (Abdelsalam, 1990).

Participants were invited to participate in this study through a covering letter enclosed on the first page of the questionnaire. To ensure the content validity of the questionnaire, several stages were taken. First, most sections of the questionnaire were developed based on previous research in the field. Second, the researcher consulted many academic scholars in the field to assess the construct validity. Finally, a pilot test was undertaken with some individual investors and their comments were incorporated in the final version of the questionnaire. All of the questions were close-ended. The last page of the questionnaire asks the respondents to mention any further comments. The five-point Likert scale was used in formatting the questionnaire.

Investors in Jordan can invest in 267 companies listed in ASE. These companies distributed across various sectors including: industrial sector, trading sector, service sector, bank sector and insurance sector (ASE, 2011). The researcher handed the revised questionnaire with an information letter to 160 respondents. A total of 103 questionnaires were collected including 94 usable questionnaires. This yielded a response rate of 58.8%. However, Table 1 shows the individual demographic characteristics. In particular, the majority of respondents were males (93.6%). Most of the investors (55.3%) were aged above 50 years. Approximately 56.4 % of the investors had a bachelor degree or higher. Finally, the main discipline areas of university education were accounting (28.7%) and business administration (16.0%).

Table 2 shows the investment characteristics of investors. The table shows that about 43.6% of the investors own 10 000 shares or more. Notably that these group was classified as large investors by Al-Ajmi (2009). The table also shows that Jordanian individual investors were focused their investments in service and manufacturing sectors with 77.7% and 53.2% respectively. This is because most of the listed companies in ASE are manufacturing and service companies. Another important reason for that was that Jordanian governments gave more emphasis to these two sectors due to the lack of natural resources.

However, descriptive statistics were used to describe the variables of this study. The validity and reliability of constructs were examined. Multiple regression analysis was chosen as the most appropriate technique to achieve the second research objective and to answer the related question.

3.2 Measurement of variables

To measure the importance of different corporate information sources on offering a good investment opportunity and measure the extent of their usage, eight information sources were selected from the previous literature in the field (e.g. Abu-Nassar & Rutherford, 1996; Al-Ajmi, 2009; Al-Attar & Al-Khater, 2007; Al-Razeen & Karbhari, 2004a, 2007; Hellman, 2005; Desoky, 2010; Mirshekary & Saudagaran, 2005; Naser et al., 2003). Thus, these items were used to achieve the first objective, as well; they used as independent variables in terms of its extent of usage to achieve the second objective. Investment decision related to buying, holding and selling shares (Al-Ajmi, 2009). The main objective of investor is to find a good investment opportunity. It has been known that a good investment opportunity in stocks offers many benefits for the holder (see, for example, Al-Ajmi, 2009). These include, for example; increasing the value of stocks with time, convertible to cash and other types of securities, yielding sufficient dividends, and others. Thus, seven benefits were selected to measure the good investment opportunity in this research. Factor analysis and a reliability analysis were performed for investment opportunity factor (Hair et al., 2006).

The factorability of the items was assessed by using Bartlett's test of sphericity and Kaiser-Meyer-Olkin (KMO) measure whose values ought to be significant at the level of 0.05 and greater than 0.50 respectively (Hair et al., 2006). Factor loadings were conducted. An item was removed from the scale if it did not have a loading greater than 0.40 on any factor or if it reflects cross-loading (0.40 or greater) on more than one factor (Hair et al., 2006).

All correlations between items are positive and significant ($P < 0.05$). Table 3 shows that only one factor had an eigenvalue greater than one. The total variance explained by the factor was 51.488%. The Cronbach alpha was 0.838 which indicates satisfactory internal reliability of the scale. The Bartlett's test of sphericity was significant ($p = 0.000$) and the value for KMO was 0.812. All loadings were greater than 0.60, ranging from 0.641 to 0.791. Investment opportunity was then calculated by averaging the values of the seven items. However, this factor needs to be validated in future research.

4. Results and discussion

4.1 Importance of different corporate information sources

To achieve the first objective and answer the related question which asks about the importance of different corporate information sources on offering a good investment opportunity, eight common corporate information sources were selected. These include; corporate annual reports, stockholders' advice, published daily share price, discussion with company staff, newspaper and magazine, advice of friends, tips and rumours and corporate web sites. When all 8 corporate information sources were ranked in terms of their importance on offering a good investment opportunity, table 4 shows that Jordanian individual investors ranked corporate annual reports as the most important source of information for the purpose of their investment decision. This result is similar to that of Abu-Nassar and Rutherford (1996), Abdulla (1992), Al-Razeen and Karbhari (2004a), Mirshekary and Saudagaran (2005), Al-Abdulqader, et al. (2007) and Al-Ajmi (2009). However, this result indicates that Jordanian individual investors still depend mainly on the annual corporate reports which are also considered the first in other developing countries. The second most important source of information was the published daily share prices. This followed by corporate web sites which I argue that it will be the most important source in the near future. Newspapers and magazines were ranked four. This followed by advice of friends, discussion with company staff, stockbrokers' advice and tips and rumours respectively. In general, the findings of study revealed that Jordanian individual investors place more emphasis on the written information rather than verbal information as the verbal information such as advice of friends, discussion with company staff, stockbrokers' advice and tips and rumours ranked at the bottom of the list.

4.2 Usage of different information sources and investments opportunity

To answer the second research question, multiple regression analysis is used to test the relationship between the extent of usage of a series financial information sources and a good investment opportunity. Table 5 and Table 6 present descriptive statistics for these two variables.

To draw a conclusion about the relationship between the extent of usage of different sources of corporate financial information and a good investments opportunity, the following multiple regression was run using the SPSS program:

$$Y = \alpha_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_6 X_6 + \beta_7 X_7 + \beta_8 X_8 + e$$

Where:

Y= A good investment opportunity;

- $X1$ = Corporate annual report;
 $X2$ = Stockbrokers' advice;
 $X3$ = Published daily share price;
 $X4$ = Discussion with company staff;
 $X5$ = Newspapers and magazines;
 $X6$ = Advice of friends;
 $X7$ = Tips and rumours;
 $X8$ = Corporate web sites.

Table 7 shows that the overall F statistic is statistically significant at the 0.006 level. R^2 indicates that the regression model explains 19.9% of the variance in investment opportunity.

Table 7 shows the results of multiple regression between each of the eight financial corporate information sources individually and a good investment opportunity. In particular, the results presented in table 7 indicate: (1) a positive and significant relationship between corporate annual report usage and good investment opportunity ($\beta = .286$, $t\text{-value} = 2.722$, $p = .004$). (2) A negative and insignificant relationship between stockbrokers' advice usage and a good investment opportunity ($\beta = -.134$, $t\text{-value} = -1.207$, $p = .885$). (3) A positive but insignificant relationship between published daily share price usage and a good investment opportunity ($\beta = .081$, $t\text{-value} = .713$, $p = .239$). (4) A positive and significant relationship between discussion with company staff usage and a good investment opportunity ($\beta = .192$, $t\text{-value} = 1.806$, $p = .037$). (5) A negative and insignificant relationship between newspapers and magazines and a good investment opportunity ($\beta = -.112$, $t\text{-value} = -1.076$, $p = .858$). (6) A negative and insignificant relationship between advice of friends usage and a good investment opportunity ($\beta = -.011$, $t\text{-value} = -.085$, $p = .534$). (7) A positive but insignificant relationship between Tips and rumours usage and a good investment opportunity ($\beta = .115$, $t\text{-value} = .920$, $p = .180$). (8). A positive but insignificant relationship between corporate web sites usage and a good investment opportunity ($\beta = .131$, $t\text{-value} = 1.188$, $p = .119$). Accordingly, only two hypotheses ($H1$ and $H4$) were supported at 0.05 significance level. That is, the result of the regression model revealed that the use of corporate annual report as a source for corporate financial information contributes significantly towards a good investment opportunity. In addition, the result of the regression model revealed that the use of discussion with company staff contributes significantly towards a good investment opportunity. On the other hand, the result of the regression model revealed that the use of stockholders' advice, published daily share price, newspaper and magazine, advice of friends, tips and rumours and corporate web sites as a source for corporate financial information do not contribute significantly towards a good investment opportunity. The justification of this result is that it looks that Jordanian individual investors have some doubt in any financial information that not controlled by the company itself. This clear because annual corporate report issued by the company and it responsible about all the content of it. Furthermore, the discussion with company staff is also a direct contact with the persons who know exactly the actual position of the company. This, however, indicates that Jordanian individual investors were very careful in their investment decision-making process in that they prefer to depend on those sources that issued and controlled by the intended companies.

5. Summary and conclusion

This study was designed to examine the importance of different corporate financial information sources and their role in obtaining a good investment opportunity. To achieve these objectives, 94 individual investors were surveyed. The result of study indicated that Jordanian individual investors ranked corporate annual reports as the most important source of information for the purpose of their investment decision-making. This followed by the published daily share prices, corporate web sites, newspapers and magazines, advice of friends, discussion with company staff, stockbrokers' advice and tips and rumours respectively. Thus, the findings of study revealed that Jordanian individual investors place more emphasis on the written information rather than verbal information for the purpose of investment decision-making. On the other hand, the result indicated that the use of corporate annual report and the discussion with company staff as sources for corporate financial information contributes significantly towards a good investment opportunity. This result indicated that Jordanian individual investors have tried to depend on reliable information controlled by the intended company to obtain a good investment opportunity. However, unlike other studies in the field (e.g. Al-Razeen & Karbhari, 2004a, 2004b, 2007; Abu-Nassar & Rutherford, 1995, 1996; Naser et al., 2003; Abdelsalam, 1990; Al-Ajmi, 2009; Chatterjee et al., 2010; Mirshekary & Saudagaran, 2005; Al-Abdulqader et al., 2007), this study included only the individual investors as they are considered the most active part in ASE and can achieve the objectives of this study. This also

prevented yielding different perceptions of the relative importance about the different issues of this study (Abdelsalam, 1990). However, the study sheds light on the relationship between the usage of different corporate financial information sources and a good investment opportunity for the first time. In addition, the study extended the previous research in the field by creating a new scale for a good investment opportunity and confirmed it using principle factor analysis and other analytical tests (see Table 3).

However, the causal relationship between different sources of information and an investment opportunity should be treated with caution for three reasons. Firstly, a good investment opportunity is a new factor as the current study is the first to add this factor with its current components to the financial reporting paradigm. Thus, this factor have not validated in previous research. Secondly, this study, to the best of my knowledge, is the first to test the relationship between different sources of information and an investment opportunity. Thirdly, the current study employed a cross-sectional design, which was conducted at one point in time. These limitations, however, create potential fruitful avenues for future research in Jordan and other developing Middle East countries. These include, incorporating and building on the findings of the current study to develop another study using more sources of information. A longitudinal study would be a good opportunity to overcome the limitations of this study. Other opportunities for future research include, for example, the extent of usage of other financial information sources by individual investors in taking their investment decisions and the main reasons for using sources of information other than corporate annual reports. The importance of the different sections of corporate annual reports for the investors' decisions in ASE, the main limitations of corporate annual reports and additional items that investors need to be included in the corporate annual reports are a potential research future opportunities. Using qualitative approach to investigate the difficulties that Jordanian individual investors face is also fruitful future research opportunity.

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Table 1. Background information of participants

Respondent	Investors Number	Investors Rate (%)
<i>Gender</i>		
Male	88	93.6
Female	6	6.4
<i>Age group</i>		
Under 30	8	8.5
30-40	16	17
41-50	18	19.1
Over 50	52	55.3
<i>Education qualification</i>		
PhD	1	1.1
Master	5	5.3
Bachelor	47	50
Diploma	30	31.9
Others	11	11.7
<i>Degree field</i>		
Accounting	27	28.7
Business administration	15	16
Economics	9	9.6
Finance	5	5.3
Others	38	40.4

Table 2. Investment characteristics of respondents

Respondent	Investors Number	Investors Rate (%)
<i>Shares owned</i>		
Fewer than 1000	8	8.5
1000 to 3999	15	16
4000 to 7999	15	16
8000 to 9999	15	16
10000 or more	41	43.6
<i>Investors' sector of focus</i>		
Banking	31	33
Insurance	11	11.7
Manufacturing	50	53.2
Trading	35	37.2
Services	73	77.7
Mining	12	12.8
Others	6	6

Table 3. Results of the principle component factor analysis for the a good investment opportunity

Items	Loading
1. The value of stock increased with time.	0.758
2. Easley converted to cash (liquidity).	0.641
3. Yielded sufficient cash return (cash dividends).	0.668
4. The dividends are certain and increased with time.	0.778
5. Stock dividends and splits are achieved.	0.791
6. Preemptive right to the original holders.	0.698
7. Convertible to other types of security over time.	0.674
Kaiser- Meyer- Olkin = 0.812 , $p = 0.000$ Cronbach's Alpha = 0.838 Eigenvalue = 3.604	

Table 4. Importance of different corporate information sources on offering a good investment opportunity

Corporate information source	Importance				Mean	S.D
	% rating 1	% rating 2	% rating 3	% rating 4 or 5		
Corporate annual reports	9.6	9.6	13.8	67.0	3.88	1.33
Stockbrokers' advice	22.3	30.9	23.4	23.0	2.57	1.25
Published daily share price	13.8	13.8	25.5	46.8	3.24	1.30
Discussion with company staff	25.5	18.1	24.5	32.0	2.67	1.25
Newspapers and magazines	13.8	26.6	34.0	25.5	2.77	1.09
Advice of friends	16.0	27.7	30.9	25.5	2.69	1.09
Tips and rumours	27.7	28.7	17.0	26.6	2.55	1.36
Corporate web sites	19.1	16.0	17.0	47.8	3.13	1.41

Table 5. Descriptive statistics for the extent of usage of financial information sources

Items	Mean	S.D.
1. Corporate annual reports	3.52	1.24
2. Stockbrokers' advice	2.45	1.21
3. Published daily share price	3.33	1.22
4. Discussion with company staff	2.43	1.34
5. Newspapers and magazines	3.05	1.26
6. Advice of friends	2.85	1.09
7. Tips and rumours	2.57	1.38
8. Corporate web sites	3.02	1.39

Table 6. Descriptive statistics for the a good investment opportunity

Items	Mean	S.D.
1. The value of stock increased with time.	2.03	1.02
2. Easley converted to cash (liquidity).	2.35	1.16
3. Yielded sufficient cash return (cash dividends).	2.17	0.98
4. The dividends are certain and increased with time.	2.00	1.04
5. Stock dividends and splits are achieved.	2.37	1.14
6. Preemptive right to the original holders.	2.61	1.26
7. Convertible to other types of security over time.	2.38	1.20

Table 7. Result of regression analysis: financial corporate information sources and a good investment opportunity (N=94)

Independent variables	Unstandardized coefficients		Standardized coefficients	t- value	Sig.	Tolerance	VIF
	B	Std. Error	Beta				
(Constant)	1.232	.367		3.357	.001		
corporate annual report	.183	.067	.286	2.722	.004	.855	1.170
stockbrokers' advice	-.088	.073	-.134	-1.207	.885	.763	1.311
Published daily share price	.053	.074	.081	.713	.239	.725	1.379
Discussion with company staff	.114	.063	.192	1.806	.037	.838	1.194
Newspapers and magazines	-.071	.066	-.112	-1.076	.858	.875	1.142
Advice of friends	-.008	.093	-.011	-.085	.534	.591	1.691
Tips and rumours	.066	.072	.115	.920	.180	.604	1.654
Corporate web sites	.075	.063	.131	1.188	.119	.779	1.284
R ²	.199						
Adjusted R ²	.124						
F	2.638						
Sig.	.006						

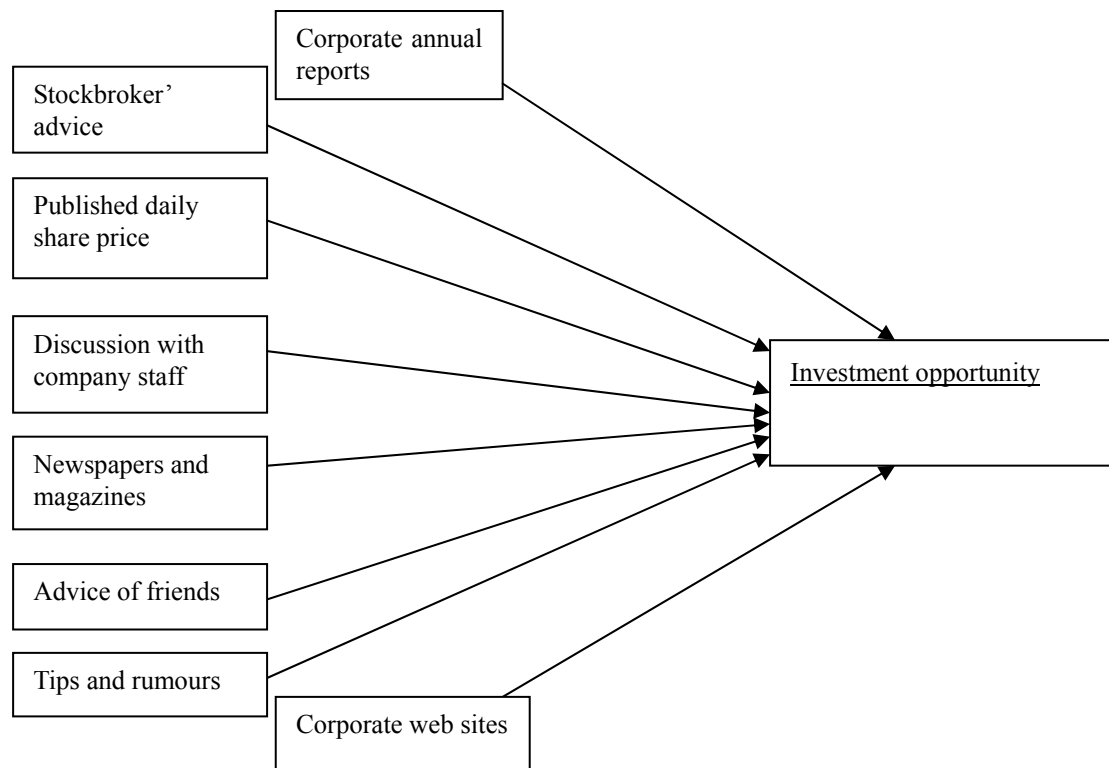


Figure 1. Study's Theoretical Model