

Corporate Financial Reporting on Internet – A Study of Users Perception

Shubhendu Kumar Jain*, Prof. (Dr.) Pramod Kumar**

The growth of computer technology and internet has significantly impact on accounting practices and accounting communication in the world. Particularly, in both developed and developing countries, the internet is used for reporting of financial and non-financial information. Many companies are now utilizing the advantages of the web for disseminating financial information. By placing information on the company's web page, users can easily access the financial information and can search, filter, download, and even compare and analyze data at low cost in a timely fashion. On the other hand, it is possible for companies to update their information continuously at low cost. Furthermore, placing financial and non-financial information on the internet offers equal access to all users and reduces the information advantages of some institutional investors and information intermediaries relative to individual investors. By using these advantages, companies can reach more potential investors than they can by other traditional communication means.

So, in the light of growing importance internet reporting, the present research is targeting the Stakeholders perception regarding the corporate financial reporting on internet. The primary objective of this study is to evaluate stakeholder's and user's perception towards the Corporate Financial Reporting on internet. A survey methodology was utilized involving a sample of 110 stakeholders or users, i.e., individual and institutional investors, analysts and academicians. A questionnaire has been distributed to the respondents through electronic media and their responses are accordingly recorded and analyzed. The finding shows that internet is a cost effective medium that is reachable to every person. Small companies can also used this medium and approach their potential investors. Respondents are also think that internet reporting is reliable and give information in timely manner.

Keywords: Corporate Financial Reporting, Internet reporting, Users Perception

“Technology has altered irreversibly not only the physical medium of corporate financial reporting but also its traditional boundaries. Paper reports are being supplemented - and, for many users, replaced - by electronic business reporting, primarily via the Internet.”

– Sir Bryan Carsberg

Introduction

Corporate disclosure is crucial for a firm in order to guarantee its mutually beneficial relationship with its various stakeholders especially its stockholders. Therefore, in disseminating its information, specifically voluntary information, firm chooses disclosure media that maximizes the benefits gained from the disclosure. The rapid evolution of Internet technology has significantly affected accounting practices and accounting communication. Many companies, in developed and developing countries, now utilize the internet to disseminate corporate financial and performance information. The internet enables companies to disclose both the traditional annual reports with additional financial and non-financial information in multiple formats to wider audience.

The Internet enables relatively cheap and extremely fast presentation of useful information in varying formats to the millions of people who use the Internet every day. These characteristics have made financial reporting on the Internet the usual practice of the corporate sector in developing countries like India as well.

The main concern with financial reporting on the Internet is the fact that information on a Web site is available to anyone, anyplace, at any time. Increasing use of the World Wide Web for reporting purposes is challenging the very nature of financial reporting - its boundaries, its frameworks and even its fundamental role in society. While the advantages of the Web as a new mode of information dissemination are clear, financial reporting on the Web creates a number of challenges for companies and their auditors as well as for regulatory and

*Research Scholar, Dept. of Accountancy & Law; Faculty of Commerce, Dayalbagh Educational Inst. (Deemed University), Agra

**Prof. and Head, Dept. of Accountancy & Law; Faculty of Commerce, Dayalbagh Educational Inst. (Deemed University), Agra

standard setting organizations. It is no surprise that Web-based financial reporting has already drawn the attention of the international groups such as International Federation of Accountants (IFAC), International Accounting Standards Committee (IASC), Financial Accounting Standards Board (FASB), USA and major national regulatory organizations.

Review of Literature

Since 1995, interest in the Internet has grown due to the availability of the World Wide Web. The review of early studies provides an overview to the present research on the stakeholder's and user's perception towards the Corporate Financial Reporting on internet. Following studies are taken into consideration before going to conduct present research:

Khaldoon Al-Htaybat et al., (2011) seeks to explore the perceptions of users regarding Internet financial reporting (IFR) practices in Jordan through a questionnaire survey. **Erlane K Ghani et al., (2009)** examine users' perceptions of three digital reporting formats: PDF, HTML and XBRL. Their results indicate that users' perceptions of usefulness among the digital reporting formats differ significantly. However, perceptions of ease of use are similar across the three digital reporting formats. Users' perceptions are also found to influence their preferred reporting format. The findings also show that users' perceptions of usefulness are analogous to their decision accuracy for HTML and XBRL formats but not for PDF format.

Szilveszter Fekete(2009) examines the association between corporate characteristics and disclosure comprehensiveness (quality and quantity) measured by the level of corporate internet reporting (CIR). Their findings suggest that corporate characteristics influence the CIR behavior of entities, presumably in response to the information asymmetry between management and investors and the resulting agency costs.

Bogdan Victoria et al., (2008) examine the extent of voluntary internet financial reporting and disclosure of the Romanian listed companies for the financial years 2005, 2006 and 2007.

Alberto Quagli & Patrizia Riva (2005) show the results of an empirical research on the expert users' behaviour in visiting websites to acquire financial information about listed companies. Italian financial analysts and corporate lenders are investigated through a questionnaire to understand (1) how they use both listed companies websites and financial news websites (financial portals) and (2) whether their information needs are satisfied using the Internet channel. **Poon et al., (2003)** point out some other questions to be considered (i) what type of financial information to report on online? (ii) Should objective or subjective information to be reported? (iii) How long should the financial performance data be posted? (iv) Are online financial data downloadable in a format that facilitates analysis by the users? (v) Is the online information placed in the appropriate section on the corporate website? (vi)

Who are responsible for deciding, verifying, approving and posting the online information? Moreover the regular maintenance of websites can create additional cost, while the security of those parts of the website containing financial information is also very important.

Objective of Study

In the current scenario of development in every sphere of business activities, Information Technology plays a vital role e.g. e-marketing, e-banking, e-ticketing etc. Therefore, researcher intends to investigate stakeholders and user's perception towards the Corporate Financial Reporting on internet of companies.

Research Methodology

1. Sample Population

To carry out this study, a sample population consisting of 110 respondents is chosen which has different characteristics that are shown in the respondent profile.

2. Primary Data Collection

The study focuses on the perceptions of investors on internet financial reporting. To examine the perceptions of investors on internet financial reporting a questionnaire was prepared. The questionnaire is served to the respondent through Internet. The Questionnaire has 12 questions as related to Internet Financial Reporting, its Quality, Advantages and Disadvantages.

3. Statistical Tools: To analyze the responses of questionnaire, simple percentage and weighted average method is used. Diagrams and tables are used to show the data.

4. Respondent Profile

The questionnaire has been served to target respondent through online media and after elimination incomplete questionnaire, responses from 110 respondents has been considered in the study. Respondents are taken on various factors which are as follows:

- The Respondents either:
Shareholder of a Company,
Financial Analyst
Investor Relation Manager, or
Professional Persons like, CA, CS, Security and Financial Analysts, etc.
- The Respondents are categorized in three categories according to their age:

S. No.	Age group (in years)	Number of Respondents
1.	25-35	19
2.	35-45	38
3.	45-55	41
4.	Above 55	12
	Total	110

- The Respondents are also categorized in three categories:

S. No.	Categories	Number of Respondents
1.	Short Term Investors	08
2.	Middle Term Investors	62
3.	Long Term Investors	40
Total		110

Data Analysis and Results

1. Significance of Financial Reporting in Investment Decisions

Response	No. of Respondents	Percentage
a) Yes	106	96.4%
b) No	04	3.6%

- Investors take the decision as to invest or not to invest after keeping various factors into consideration. There has been a great shift in the paradigm in recent years as investors are focusing more on the financial disclosure made by the company. It enables a shareholder to understand a company and its performance in a better manner.
- However, on asking about considering the financial reporting before making an investment decision; 96.4% of investors admitted that they consider financial reporting in investment decisions; while 3.4% of the respondents denied of this fact.

2. Internet Financial Reporting Complete as Compare to Paper Based Financial Reporting

Response	No. of Respondents	Percentage
Yes	98	89.1%
No	05	4.5%
Can't Say	07	6.4%

- When any user of information switch from paper based financial reporting to internet financial reporting the first thing that is important for the user to see whether report available on the internet is complete in all sense or not. The conventional paper based financial reporting is not difficult for the users but internet financial reporting gives the benefits of quick and cost affective availability, more information than paper based reporting, more transparent, complete report, etc.
- On asking regarding completeness of financial information on internet, there were 89.1% investors agreed that financial information available on the internet is complete in all respect. On the other hand

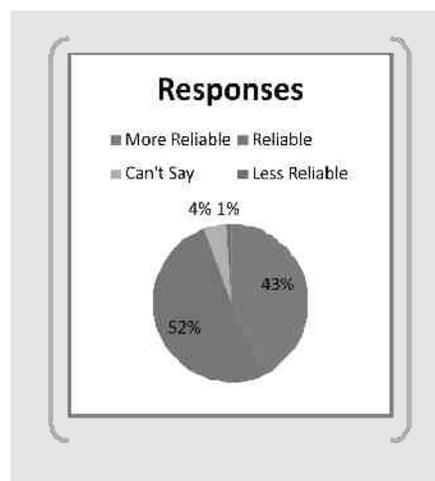
only 4.5 % investors are not satisfied with that and they still believe on the paper based financial reporting and 6.4% investors were not in the position to comment on it.

3. Internet Financial Reporting Provides Quality Information as Compare to Paper Based Financial Reporting

Response	No. of Respondents	Percentage
a) Yes	98	89.1%
b) No	05	4.5%
c) Can't Say	07	6.4%

- Availability of quality information at the right time whenever it required increases the relevance of financial reports in the minds of stakeholders and it also hit the positive impact about company. Internet financial reporting provides so many options for company to make financial reports more qualitative and according to the requirement of the different stakeholders. Quality refers to provide each & very information which is relevant for the user in a manner that the user easily and quickly get it and take necessary decision(s).
- The investor's perception regarding this is also in favour that internet financial reporting provides quality information as compare to paper based financial reporting. There were 89.1% investors agreed that financial reporting on the internet is better than the paper based financial reporting in terms of quality. While only 4.5% investors are not satisfied with the quality of financial information available on internet, they all are still rely on the paper based financial reporting and 6.4% investors were not in the position to comment on it.

4. Internet Financial Reporting is more Reliable from Paper Based Financial Reporting



Response	Weight (W)	No. of Respondents (N)	Weighted Product (WxN)	Weighted Average Value
a) More reliable	5	47	235	4.36
b) Reliable	4	57	228	
c) Can't Say	3	5	15	
d) Less Reliable	2	1	2	
e) Not Reliable	1	0	0	
Total		110	480	

- Reliability is described as one of the primary qualities that make financial internet.
- On asking regarding reliability of internet financial reporting than the paper based financial reporting, 42.7% investors of the sample are strongly agree that internet financial reporting is more reliable than the paper based financial reporting, also 51.8% investors are given consent that internet financial reporting is reliable than the paper based financial reporting.
- On the other hand, less than 1% of investors are not

approved that and they still believed that paper based financial reporting is good than internet financial reporting. While 4.6% investors are not able to say anything on this content.

- The weighted average value i.e., 4.36 shows mostly investors agreed with the statement that internet financial reporting is more reliable than the paper based financial reporting.

5. Internet Financial Reporting and Cost Reduction

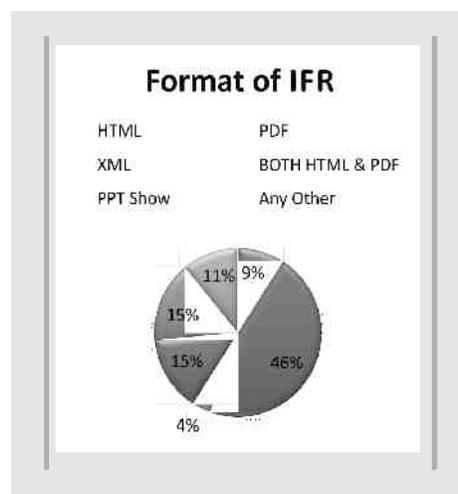
Internet financial reporting reduces the cost of information				
Response	Weight (W)	No. of Respondents (N)	Weighted Product (WxN)	Weighted Average Value
a) Strongly Agree	5	62	310	4.5
b) Agree	4	41	164	
c) Can't Say	3	6	18	
d) Disagree	2	1	2	
e) Strongly Disagree	1	0	0	
Total		110	494	

- There were 56.4% respondents strongly agreed and believed that internet financial reporting reduces the cost of getting financial information at a part of investors and also from the view point of company while majority of 37.3% were also agreed that internet financial reporting reduces the cost of information. Internet is also beneficial for the companies to disseminate financial results to their stakeholders. In paper based financial reporting, the cost of annual reports is too high for the companies. The cost includes, paper cost, printing and postage costs etc.
- On the other hand, less than 1% of investors are not agreed with the statement while 5.4% investors are not able to say anything in this.
- The weighted average score i.e., 4.5 shows mostly investors are strongly agree with the statement that internet financial reporting is more reliable than the paper based financial reporting.

6. Format of Financial Report on Internet Financial Reporting

Company enables to provide the financial data in which format		
Response	No. of Respondents	Percentage
a) HTML Format	10	9.1
b) PDF Format	51	46.4
c) XML Format	04	3.6
d) Both HTML & PDF	16	14.5
e) Power point slide show	17	15.5
f) Any Other (XBRL)	12	10.9
Total	110	100%

- Information understandable by users with reasonable knowledge of business and economic activities and accounting and who are willing to study the information diligently.
- In the context of online reporting this characteristic can take on an additional meaning from a technical point of view. It can refer to the output on screen generated in the form of a PDF file (Portable Document Format), a coding language that allows a document to be displayed on and printed from different computers in identical forms or HTML files (HyperText Markup Language: major language of the Internet's World Wide Web), Power point slide shows (attractive slide show component of MS OFFICE).
- On asking the perception of investors regarding the format of financial reporting on the internet 14.5% investors said that company provide their financial reports on HTML as well as in PDF format both and 46.4% said that company shows their result in PDF format only. The reason for the extensive use of PDF files may be that PDF documents are replicas of their printed counterparts and preserve the physical appearance of the printed publication in an electronic format. PDF files can include text, graphics and images, and can be viewed without the installation of the programme in which they were created.
- While only 9.1% investors says that compant gives financial reporting on the websites in HTML format and 3.6% investor says that companies show the financial reports in XML format.



Rank Related Questions

Reasons for Increasing Financial Reporting Requirements on Internet

Following questions are Rank based where respondents give the ranks to the options provided in the questions. These rank based questions are related to the following items:

- In your opinion, what are the reasons for increasing financial reporting requirements on Internet?

S. No.	Reasons	I	II	III	IV	V	Total	WT	RANK
(a)	Globalization in the world market	71	3	30	4	2	110	467	1
(b)	Complexity of the business environment	2	2	3	93	10	110	223	4
(c)	Necessity of timely information	31	70	6	1	2	110	457	2
(d)	Accounting used as a control and monitoring device	1	1	6	8	94	110	128	5
(c)	Cost affective	5	34	65	4	2	110	366	3
	Total	110	110	110	110	110			

- In present scenario, where the right information is required at the right but in less time, the Internet is best medium of providing information to users. In India there is extremely hike in the users of the Internet; whereas requirement of financial reporting on the Internet is also progressive.
 - On asking, what are the reasons for increasing financial reporting requirements on the internet, globalization in the world market was given **First** rank in overall.
 - Investor more depends on the financial transparency of the company because the investor is more intelligent than the older one in respect of investing in particular company and investor is also interested to get the financial information easily and quickly.
 - There were 31 investors given **first** rank to the necessity for timely information and this option was also given **second** rank by 70 investors which show that timeliness is also very influencing factor for the investors as well.
 - Some investors also believe that Internet financial reporting is cost effective for the investors as well as for company. In this respect there were 65 investors click this option on the rank 3.
 - There were 93 respondents given rank 4 to complexity of the business environment. It means due to complexity in the corporate world with no national boundary for taking participation in the business activities, hence, there is more requirement of financial transparency for surviving.
 - Accounting used as monitoring and control device is also in the list but this option was given rank 5 among all and most of the investor does not believe that accounting is used as monitoring device.
- **Necessary Characteristics for Effectiveness of Financial Reports on the Internet**
8. According to you, main characteristics necessary for effectiveness of report to communicate on the Internet. (Please Rank).

S. No.	Characteristics	I	II	III	IV	V	Total	WT	RANK
(a)	Clarity of presentation	5	0	78	23	4	110	309	3
(b)	Timeliness of information presented	18	90	2	0	0	110	456	2
(c)	Logical progression of report and continuity of design	0	0	27	81	2	110	245	4
(d)	Effective use of colour, captions, headlines, font styles and size	0	0	0	6	104	110	116	5
(e)	Full disclosure of reliable, relevant information needed to understand entity	87	20	3	0	0	110	524	1
	Total	110	110	110	110	110			

- It is very important to know the factors which are important for the effectiveness of financial report published on the Internet because Internet financial reporting is the medium of joined the prospective investors with the company worldwide.
- For this on asking regarding the main characteristics which are necessary for the effectiveness of reports to communicate on the Internet, there were 87 investors given Rank 1 to the full disclosure of reliable, relevant information which are needed to understand the entity also overall investors believes that the main characteristic which is very important for the Internet financial reporting is company requires to provide full disclosure of reliable, relevant information which are needed to understand the entity easily and fastly.
- 90 respondents given Rank 2 the timeliness of presented financial report on websites and this option is given rank 2 in overall.
- But the investors are not fascinated by the clarity of

presentation which shows that investors believe in that the reports published on the Internet is full, clear, reliable and relevant in all respect. Investors also interested to see the reports or information on the website with attracting colors, captions, headings, font styles, shape and size, pictures, etc and this option is given Rank 3 by the investors.

- Logical progression of report and continuity of design is ranked 4 in overall and Effective use of colour, captions, headlines, font styles and size is ranked 5.
- It can be said that investors or prospective investors are more attracted towards company which provides full disclosure of financial information with the clarity in their presentation and also they desire the websites designed with effective colors, text, pictures, etc.

➤ Difficulty in Internet Financial Reporting

9. There are some Inconveniences of the internet financial reporting which are listed below: (Please Rank).

S. No.	Inconveniences	I	II	III	IV	V	VI	Total	WT	RANK
(a)	Threats of computer viruses.	86	9	5	2	4	4	110	599	1
(b)	Overload or excess of information.	0	6	4	75	10	15	110	306	5
(c)	No direct hyperlink to Financial Reports on Website	0	9	4	11	11	75	110	191	6
(d)	To view reports on internet some special type of software is required	7	8	63	6	17	9	110	395	3
(e)	Broken hyperlinks	6	20	6	8	63	7	110	317	4
(f)	Computer knowledge is required	11	58	28	8	5	0	110	502	2
	Total	110	110	110	110	110	110			

- There are many advantages which make the things very good but on the tail side there are also some inconveniences due to imperfectness. Internet financial reporting is also very good for all the respects but it is not perfect due to some limitations.
- By asking inconvenience of the Internet financial reporting to the investors, there were 78% investors given Rank 1, are more scared due to the computer viruses

which is very thrashing drawback for the internet users from the beginning.

- The knowledge of computer is also required to work on internet and to understand different softwares and applications which are helpful in viewing and analyzing financial data. So, the option of Computer Knowledge is required is ranked 2 in the list of inconveniences of internet financial reporting.

- Not only the knowledge of computer but also some types of special softwares are required to view and analyze the financial data. PDF reader software is required to open and read PDF files. Excel and other statistical software are required to analyze the data. MS office package is required to view files of Word, Power Point Presentations and Spreadsheets. So, the option **“To view reports on internet some special type of software is required”** is ranked 3 in the list of inconveniences of internet financial reporting.
 - Stakeholders are irritated because of Broken Hyperlinks on the website of the company which creates a less trustworthy company in the minds of stakeholders. There were 57% users and overall it was given Rank 4 due to broken and inconvenient links on the websites.
 - Some users are annoyed due to overload or excess of information on the websites of the company because they believe that due to excess information available on the websites which creates the confusion in the minds of users but on the other hand there were 68% investors given this option as Rank 4 which means the some investors are happy with that there is more information regarding company is available on the websites. **Overall it was given Rank 5** and it shows that there are few investors or users of the information that are not requiring excess information on the websites of the companies.
 - Some users said that there is **No direct hyperlink to Financial Reports on Website** this is may be due to location of the financial information on the websites because on the home page of the company, generally information of company's products and services is shown, company's features and characteristics are highlighted but financial information is available in the head INVESTORS, FINANCIAL INFORMATION and also some companies show their financial data in head CORPORATE PROFILE of the company. Therefore, users of financial information need to spend more time in finding financial information. So, the option **“No direct hyperlink to Financial Reports on Website”** is ranked 6 in the list of inconveniences of internet financial reporting.
 - It can be said that the main drawback of the Internet financial reporting is computer viruses and also there are many interlinks on the website which create less trustworthy in the minds of the stakeholders. Also, the knowledge of computer and special type of software is required for Internet reporting. Overload or excess load of information available on the website is also not suited to the investors.
 - **Improvement in the Overall Usefulness of Companies' Annual Report on the Internet**
10. How Internet financial reporting does improve the overall usefulness of a company's financial reports? (Please Rank).

S. No.	REASONS	I	II	III	IV	Total	WT	RANK
(a)	Web can allow firms to communicate with more users than is possible with paper based financial reports.	101	8	1	0	110	430	1
(b)	Non investors of companies can view and download its financial information	6	99	5	0	110	331	2
(c)	Re-utilization of financial reports for comparison	0	0	6	104	110	116	4
(d)	Financial reports can be seen and used any time	3	3	98	6	110	223	3
	Total	110	110	110	110			

- Internet financial reporting is generally used for easily and quickly gets the company's report as and when required. The main function of Internet is to connect a company with many (infinite) users/stakeholders and on the other hand investors or users of the financial information also take advantage of many facilities provided by company regarding usage of financial reports on their websites. It means that Internet financial reporting as and when increases overall usefulness of the company's financial reports to the investors. By asking, how Internet financial reporting improves the overall usefulness of company's reports for the stakeholders or users of the financial reports in respect of reutilization of reports, advantages of different tools for analysis, etc.
- There were 92% respondents that give Rank 1 and believe that which is also true that Internet can allow firms to communicate with more and more users than the paper based financial reports. This option was overall given Rank 1 because paper based financial reports catch the

limited stakeholders or users but Internet connects the company with all over world and it assumes that it increases the number of investors as well.

- It is said that anybody can view the information available on internet. The same situation is with the company's financial information. Non investors of companies can view and download its financial information without any permission. This helps potential investors and stakeholders that internet reporting enables them to view and download the financial information regardless whether they are investors of the company or not. While in case of paper based reporting, company provide their reports only to their investors. So, this option was raked 2 among other options.
- In paper based financial reporting the user cannot get more benefit because users should wait for the delivery of paper based reports. And generally paper based reports comes late and it is not always possible that user view all the reports at a time. So, there were 89% users that give Rank 3 to the option "Financial reports can be seen and used any time" because users also believe that Internet

provides financial reporting in dynamic way that can be seen and used any time.

- The main benefit of Internet financial reporting is that the user can use financial reports for many years, e.g. if anyone can compare the financial results of the year 2001-02 with the 2011-12 then the reports are easily available in the archives and the user is easily reutilize these reports as and when required. But, it is not possible in case of paper based financial reporting.
- This is one of the best advantages of Internet financial reporting but it was given Rank 4 among all options and on that basis it concludes that Internet provides good option for the investors or users of the financial reporting for reutilization but investors are not agreed on that as per the survey.

Advantages of Internet Financial Reporting

11. There are several advantages of Internet financial reporting over paper based financial reporting that are listed below: (Please Rank)

S. No.	ADVANTAGES	I	II	III	IV	V	VI	VII	VIII	Total	WT	RANK
(a)	Access to more up - to-date and quicker financial information.	103	6	1	0	0	0	0	0	110	872	1
(b)	Ability to compare financial information.	0	27	7	4	60	5	4	3	110	517	4
(c)	Lower costs in production and distribution of digital financial information.	0	16	36	56	1	1	0	0	110	615	2
(d)	Reutilization the information in different formats and times.	0	0	3	10	10	77	7	3	110	356	5
(e)	Connection to other links/sites.	0	0	0	0	0	7	12	91	110	136	8
(f)	Use of audio and video.	0	0	2	10	4	16	77	1	110	281	7
(g)	Increase in the contents and types of data disclosure.	7	60	4	9	28	2	0	0	110	285	6
(h)	Small companies can approach to their potential investors in manner	0	1	57	21	7	2	10	12	110	520	3
	Total	110										

- Advantages of Internet financial reporting provide positive impact in the minds of stakeholders. Internet Financial Reporting is the new concept in Indian corporate scenario so it is necessary to show the best advantages according to the investors.
- There were 94% investors given Rank 1 to the main feature of internet financial reporting i.e. access to more up-to-date and quicker information. In paper based financial reporting both these features are not available for the investors, but in internet financial reporting the investors can access up-to-date information at any time at any place whenever they require *plus* in today's fast track also get any type of information regarding company in quicker time.
- Cost is also very important factor to prove the superiority of internet financial reporting over paper based financial reporting. For internet financial reporting there is only one time huge investment for set-up, softwares, IT personnel, etc. after that there is no more expenditures on production and dissemination of financial information. On the other hand cost is occurred on every distribution of financial information in paper based financial reporting. So comparatively there is lower cost in production and dissemination of financial information through web based financial reporting, and it was given rank-2 which depicts that users are also in favour that internet financial reporting reduces the cost of producing and disseminating the financial information as compare to paper based financial reporting.
- This is also the main advantage of internet financial reporting that the small companies are also able to connect with the prospective stakeholders which is very difficult in paper based financial reporting. Overall it was given rank-3 by the users because through paper based financial reporting the small scale companies are not approached to more prospective investors due to limitation of this reporting format but internet financial reporting provides the platform for the small scale companies to open their doors worldwide.
- Internet financial reporting provides the option of reutilization of information so the users are able to use information for comparing the financial information of different years *plus* also compare the information for choosing the best company among different *plus* also compare the financial information for analysis purpose. The result is also in favour that overall users give rank-4 to the option of internet financial reporting provide ability to users for compare the financial information easily and quickly.
- Another feature of internet financial reporting is to reutilize the information many times and overall this option was given rank-5 which also depicts that internet financial reporting provides the base for the users to reutilize any information at any time whenever they require and also use published information for analysis. This is also the important feature which is not available in paper based financial reporting.
- The another benefit of internet financial reporting is that it increases the content and types of data disclosure i.e. in paper based financial reporting there is restriction for the company to show more data but through internet financial reporting companies are free to show financial as well as non-financial data in very dynamic way which is easily understandable by the user. So, the respondents give 6th rank to this advantage of internet financial reporting.
- The main disadvantage of traditional paper based reporting is that it cannot use Audio or Video technique. While in case of Internet Financial Reporting, companies can fully use Audio and Video technique in form of webcasts. This technique also enables users to interact with company's officials. Use of Audio and Video is ranked 7 among the advantage of IFR.
- Rank-8 was given to the option which support that web page of the company connects with different links and also with other sites which is sometimes very useful for the users who are interested to see the other connected sites at the same time. The unique feature of internet financial reporting is providing financial data through video and audio visuals which is very attractive and useful for the users and overall it was given rank-7 among the options.

Methods to Be Used For Presenting Financial Information on the Internet

12. According to you, what are the methods to be used for presenting the financial information on the internet? (Please Rank)

S. No.	Methods	I	II	III	IV	V	Total	WT	RANK
(a)	Audio Presentation	5	3	7	71	24	110	236	4
(b)	Video Presentation	31	37	22	19	1	110	408	2
(c)	Power point presentation	49	37	22	2	0	110	463	1
(d)	Press Releases concerning the results	15	30	55	9	1	110	379	3
(e)	Any Other	10	3	4	9	84	110	176	5
	Total	110	110	110	110	110			

- Superior presentation of financial information is very important for the companies for differentiate them from the other companies on the Internet. Actually user is also interested to take the advantage of Internet for getting financial information in different formats. Internet provides flexibility to the companies for presenting their results in very dynamic way.
- By asking, what method generally companies adopt for presenting their financial results on the Internet, there were more than 44% respondents required financial information in Power Point presentation, while 34% respondents given Rank-2 for Video presentation and also it was given overall Rank-2 among the options. Press releases concerning the results ranked 3 and Audio presentation ranked 4. While few respondents selected the any other option in which they said that XBRL is also a presentation format and it is ranked 5.

Conclusion

Financial information which is traditionally expressed through the annual reports, news media, advertisements or brochures is considered less relevant because they have timeliness quality problems. Information considered relevant for decision making when the information was disclosed before that information loses its capacity to influence decisions and the Internet is considered to be able to provide the best information on time. The finding shows that responses were indicated that the requirement of financial reporting is in gaining significance among investors but still there are a number of investors who still prefer traditional format of reporting company performance. 89% investors agreed that financial information available on the internet is complete in all respect and more than 94% investors agreed that Internet provides reliable information as compare to the paper based financial reporting. This is a motivating sign for the companies whether they are Indian or US that their investors and other users of corporate information is adopting internet reporting more and more. This will also increase number of companies that are going to adopt internet as a medium to dissemination their information. Even small companies can adopt this medium and can reduce its cost of publication and distribution of reports.

Reference:

- Khaldoon Al-Htaybat, Larissa von Alberti-Alhtaybat & Khaled Abed Hutaibat (2011) "Users' Perceptions on Internet Financial Reporting Practices in Emerging Markets: Evidence from Jordan", *International Journal of Business and Management*, Vol. 6, No. 9; September 2011
- Kamarul Baraini Keliwon & Dr. Zakiah Muhammaddun Mohamed (2010) "Internet Financial Reporting Disclosure Strategy" Electronic copy is available at: http://www.internationalconference.com.my/proceeding/iber2010_proceeding/PAPER_188_Financial Reporting.pdf
- Asli Turel (2010), "The Expectation Gap in Internet Financial Reporting: Evidence from an Emerging Capital Market", *Middle Eastern Finance and Economics*, ISSN: 1450-2889, Issue 8 (2010)
- Erlane K Ghani, Fawzi Laswad and Stuart Tooley (2009) "Digital Reporting Formats: Users' Perceptions, Preferences and Performances", *International Journal of Digital Accounting Research*, Volume 9, July 2009
- Szilveszter Fekete (2009), "Determinants of the Comprehensiveness of Corporate Internet Reporting by Romanian Listed Companies", Electronic copy available at: <http://ssrn.com/abstract=1517665>
- Bogdan Victoria, Pop Cosmina Madalina & Scorțe Carmen (2008), "Voluntary Internet Financial Reporting and Disclosure – A New Challenge for Romanian Companies", <http://steconomice.uoradea.ro/anale/volume/2009/v3-finance-banks-and-accountancy/130.pdf>
- Shrikant Sortur (2006), "Financial Reporting On Internet", *The Chartered Accountant*, January 2006
- Alberto Quagli and Patrizia Riva, 2005, "Do Financial Websites Meet The Users' Information Needs? A Survey From The Italian Context", Electronic copy available at: <http://ssrn.com/abstract=863744>
- Pak-Lok Poon, David Li, CPA, and Yuen Tak Yu (2003) "Internet Financial Reporting", *Information Systems Control Journal*, Volume 1, 2003