

**A STUDY ON THE INTERNET FINANCIAL REPORTING  
DISCLOSURE: A CASE OF COMPANIES LISTED AT AMMAN  
STOCK EXCHANGE, JORDAN**

**A Thesis submitted to the UUM Graduate School of Business  
In partial fulfillment of the requirement for the degree  
Master of Science INTERNATIONAL ACCOUNTING  
Universiti Utara Malaysia**

**By  
KHALED ABDEL HALIM IBRAHIM AL SAKARNEH  
(805883)**

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NAME: KHALED ABDEL HALIM IBRAHIM

Metric: 805883

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## ABSTRACT

The main objective of this study is to disseminate guidelines for the use of the Internet for financial information between the ASE listed companies for the year 2010. This issue is motivated by the growing concern with internet as a medium to disseminate financial information from regulatory bodies e.g. IAS. The lack of regulation of the rare use of online reporting by Jordanian companies. This study investigated the extent of dissemination of financial information over the Internet by Jordanian companies in Amman Stock Exchange (ASE) stock exchanges. This project investigates the extent of disclosure financial reporting on internet. The main objective of this study is to examine the relationship between factors and adoption to internet for disclosure financial reporting. To examine the extent of disclosure financial reporting on internet. To put light on the factors that affects these companies in the adoption of the internet to provide financial disclosure. The results show that 84 out of 100 (84%) of ASE public listed companies have web sites. It also can be seen that the lowest internet reporting is on Interim Report (only 73% i.e. 61 out of 84 websites). The most commonly found financial information is the balance sheet and income statement, both of which were disclosed by the 84 companies (100%). Accountant's notes was disclosed by 79 companies (94%). cash flow statement, all of which were disclosed by the 77 companies (92%). Auditor reports were disclosed by 76 companies (90%). Financial highlights which were disclosed by 73 companies (86%). In addition to statement of stakeholders equity which was disclosed by 72 companies (86%). The lowest declared items were Interim report which was disclosed by 61 companies (73%). The results show that companies still partially behind those of other developed countries and other developing countries. This study also examined the effect of three factors, namely firm size, leverage and profitability at the Internet reporting (IFR). A linear regression analysis is applied for this purpose. The results show that profitability and leverage significant financial impact reports via the Internet. The result also shows that there is a significant positive relationship between the amount of financial communications through the Internet and company size.

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## **TABLE OF CONTENTS**

PERMISSION TO USE	I
DISCLAIMER	ii
ABSTRACT	iii
ACKNOWLEDGEMENT	iv
TABLE OF CONTENTS	v
LIST OF TABLES	viii
LIST OF FIGURES	ix

## **CHAPTER ONE: INTRODUCTION**

1.0 Introduction .....	1
1.1 Background .....	5
1.1.1 Financial reporting .....	5
1.1.2 Growth in Web-based Reporting .....	6
1.2 Problem statement .....	8
1.3 Research Questions.....	9
1.4 Research objective.....	10
1.5 Significance of the Study .....	10
1.6 Scope of the Study.....	10

## **CHAPTER TWO: LITERATURE REVIEW**

2.0 Introduction .....	12
2.1 Review of Literatures .....	12
2.2 Firm size .....	16
2.3 Profitability .....	19
2.4 Leverage.....	21
2.5 Under Pinning Theories.....	23
2.5.1 Agency Theory.....	23
2.5.2 Signaling theory .....	24

2.6 Theoretical Framework :.....	26
2.7 Hypothesis.....	27
2.7.1 firm size .....	27
2.7.2 Profitability .....	27
2.7.3 Leverage .....	27

### **CHAPTER THREE: RESEARCH METHODOLOGY**

3.0 Introduction .....	28
3.1 Research Design .....	28
3.2 Measurement of Variables .....	29
3.2.1 Dependent Variable.....	29
3.2.2 Independent Variables.....	31
3.2.2.1 Firm Size .....	31
3.2.2.2 Profitability.....	31
3.2.2.3 Leverage.....	32
3.3 Data Collection.....	33
3.4 Sample Selection .....	33
3.5 Data Analysis .....	34
3.5.1 Descriptive Analysis .....	34
3.5.2 The Correlation of Variables .....	34
3.5.3 Model Specification and Multiple Regression .....	34
3.6 Summary .....	35

### **CHAPTER FOUR: ANALYSIS AND FINDINGS**

4.0 INTRODUCTION.....	36
4.1 ANALYSIS.....	36
4.1.1 Descriptive Statistics .....	36
4.1.2 Correlation .....	40
4.1.3 Regression analysis .....	41
4.2 Summary of the Chapter .....	42

## **CHAPTER FIVE: CONCLUSION**

5.0 INTRODUCTION .....	43
5.1 Discussion on Results .....	43
5.2 Limitation of the Study .....	44
5.3 Recommendation .....	45
5.4 CONCLUSION .....	45
<b>REFERENCES</b> .....	48
<b>APPENDIX</b> .....	55



## LIST OF TABLES

Table 3.1: Definition and Measurement of Variables	35
Table 4.1: Type of Industry Classification ASE Stock Market (2010) sample	37
Table 4.2: Internet Usage by ASE Listed Companies sample	37
Table 4.3: Financial Information Provided via 84 Internet Websites	38
Table 4.4: Financial Information Provided via Internet (% in brackets)	39
Table 4.5: Financial Information Published via Internet by Industry type	39
Table 4.6: Descriptive Analysis for Dependant Variable and Independent Variables (All companies)	40
Table 4.7: Correlation Matrix among Independent Variables	41
Table 4.8: Model Summary	42
Table 4.9 Regression Analysis for All Observations Coefficients (a)	43

## LIST OF FIGURES

2.5 Theoretical Framework

25

# CHAPTER ONE

## INTRODUCTION

### 1.0 Introduction

Financial reports play an important role in companies, with high importance, because it reflects the efficiency and effectiveness in the management of the company and the work undertaken by the company. Financial information is important because it is important when investors, management, government, business and shareholders. The financial statements are for the organization and all stakeholders including the government, creditors, investors, accountants and the general public. Over the years has been focusing on the assessment of the quantitative aspects of the financial statements and accounting information (Hirshleife and Teo, 2002). Less emphasis was placed on the qualitative elements. Often the use of common sense rule, intuition and experience to evaluate the qualitative value of select financial information.

The global network of computer networks like the Internet. Heralded as the information superhighway, it has over the past few years been used as a new a marketing application for companies where the Internet is a communication tool that provides access, distribution, interaction and presentation of financial reports have been used. In this new approach are the companies who use the Internet to promote their businesses to shareholders and investors market. Coined the term 'inflection point' which he defined as "a change in business environment that has the potential to alter the way a company operates". According to King (2001) Internet is a turning

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