CHAPTER ONE

INTRODUCTION

1.1 BACKGROUND OF THE STUDY

Financial reports provides an overview of a business profitability and financial condition in both short and long term. They are necessary sources of accounting information about companies for wide variety of users. In. every business, there, needs information. This information needs ranges from financial, production, marketing etc. Generally, the larger the organization the greater the management need for information. Financial report plays a vital role in decision making process of business organizations. The main purpose of financial repots is the provision of financial information as a record making. It has been said that accounting is the language of business. It might also be said that the ability to apply accounting knowledge is critical to success in business: A business prepares various report at the end of each fiscal period. This report summarizes the changes that have taken place during the period. For this financial report to be useful, the data be presented in such a way that the user will recognize, Similarities, differences and trends form one period to another to enable them make decisions. The accounting information contained in the financial reports enables management to make more inform decisions. Financial report should provide adequate information in all areas of organization and economic activities; it should be able to disclose clearly the nature and accurate accounts of the transactions fun which the true and fair view financial position of the organization can be ascertained. Financial reports serve a lot of useful purpose to different users namely, shareholders, Creditors, Banks, government agents, employees, potential investors and the management of the entity it self. The above identified groups of persons rely on the information supplied by the given firm through financial reporting in which they have interest to ascertain the organization's state of affairs which serves as an important guide in deciding the extent to which they commit their fund. It is the "communication of financial information useful for decision making such as investment, credit and other business decisions" such communication include, general. Purpose financial statement, balance sheet, equity report, cash flow reports and notes to these statements.

1.2 STATEMENT OF THE PROBLEM

The problem of this research is that, the management does not know the various ways of presenting financial accounting reporting, which often affects managerial decision making. There are no proper allocation of resources of the organization which leads to non-achievement of the profit maximization objective. Also the inability of the management to recruit trained and professional personnel, as a result, the quality of the decision made by this organization are very poor.

1.3 OBJECTIVE OF THE STUDY

The research work covers the effect of financial accounting reporting on managerial decision making.

The studies have the following objectives:

To know whether the various ways of presenting financial accounting reporting have any effect on managerial decision making in the company.

To examine the attitude of management in the allocation of resources which often leads to achievement of profit maximization objective.

To determine the level of which management recruit trained and professional personnel which leads to quality decision making.

1.4 RESEARCH QUESTIONS

Based on the objectives, the following research questions were developed:

Does the various ways of presenting financial accounting reporting have any effect on managerial decision making of the company?

What are the attitude of management in the allocation of resources which often leads to profit maximization objective?

To what extent does management recruit trained and professional personnel which leads to quality decision making?

1.5 STATEMENT OF HYPOTHESIS

Because of the above research questions, the following hypotheses were formulated.

HYPOTHESES 1

HO: The various ways of presenting financial accounting reporting does not have effect on managerial decision making of the company.

HI: The various ways of presenting financial accounting reporting have effect on managerial making of the company.

HYPOTHESIS 2

HO: There are no proper allocation of management resources which often leads to profit maximization objective.

HI: There are proper allocation of management resources which often leads to profit to profit maximization objective.

HYPOTHESIS 3

HO: Management does not recruit trained and professional personnel which leads to quality decision making.

HI: Management recruit trained and professional personnel which leads to quality decision making.

1.6 SIGNIFICANCE OF THE STUDY

The significance of this study is that, it shows the effect of financial reports in the operation of the organization. This research is beneficial to internal and external users of financial report. The financial of this research will help managers determine the method of financial needs that will help in realization of their corporate objectives. The study will help the management to know the experts (accountants) that will be able to prepare an annual report that will enable the management to make well-informed decision that will enhance profit maximization. It will enable the external users to know whether the organization is making profit in coder to invest more. Thi0s study will also serve us resource material for other researchers for further research in related areas.

1.7 SCOPE AND LIMITATION OF THE STUDY

The research work covered the whole of Enugu State manufacturing companies, but due to certain constraints the research is restricted to Nigeria Bottling Company PLC. Thus, the research investigate the effect of using financial reports in making management decisions.

The limitation of this study is the time factor. Since the researcher carried out the research of the same time with her studies, there was limited time for to cover all the necessary areas of the research study. And also lack of audience from the despondence.

1.8 DEFINITION OF TERMS

ANNUAL REPORT: this is a comprehensive report on a company's activities throughout the preceding year. Annual reports are intended to give shareholders and interested people information about the company's activities and financial performance.

MANAGERIAL DECISION: This is the decision concerning the operating of the firm, such as the choice of the firm size, firm growth rate, and employment.

INFORMATION: This can be seen as data which have been processed into a form meaningful to the recipient (receiver)

ORGANIZATION: Is an organized body of people working together for the pursuit of a particular purpose (s) called organization goals.

REFERENCES

Igben, R. (2009). *Financial accounting made simple,* Lagos: Roi publication.

William, L. (2008). *An introduction to financial management.* London: McGraw –Hill Publication.

CHAPTER TWO

2.0 REVIEW OF RERATED LITERATURE

2.1 CONCEPT OF FINANCIAL ACCOUNTING

In the view of Thomas (2004), financial accounting is the process of designing and operating an information system for collecting, measuring and recording an enterprises transactions and summarizing and communicating the results of these transactions to users to facilitate making financial and economic decisions. It states that the first part of the definition relating to collecting and recording transactions refers to double- entry book-keeping which consists of maintaining a record of the nature and money value of the transactions of an enterprise. And the second part of the definition, relating to communicating the results, refers to preparing final accounts and statements form the books of account showing the profit earned during a given period and the financial state of affairs of the business at the and of that period. He also states that the account has been traditionally regarded as the 'holder of the purse Strings' and responsible for 'Safeguarding' the assets of the business.

Ferris (2000), defines financial accounting as the field of accounting that is concerned with the preparation of financial statement for decision makers, such as stockholders, suppliers, bunkers, employees, government agencies owners and other stockholders. He is of the view that financial capital maintenance can be measured in either nominal monetary units or units of constant purchasing power. He states that the fundamental need for financial accounting is to reduce principal agent problem by measuring and monitoring agents' performance and reporting the results to interested users. He also further to say that financial accounting is used to prepare accounting information for people outside the organization or not involved in the day-to-day running of the company. He again says that financial accounting provides accounting information to help managers make decision to manage the business. He concluded that financial accounting is the process of summarizing data taken an organization's accounting records and publishing in the form of annual (or more frequent) reports for the benefit of people outside the organization. He States that financial accounting is governed by both local and international accounting standards.

According to Farlex (2012), financial accounting is a branch of accounting involving the preparation and publication of financial statement earnings reports, and other forms for disclosure to shareholders, regulations, and any other stakeholders. He went further to say that financial accounting is necessary for publicly traded companies and some other corporation. He States that it must be accomplished accordance with the generally accepted accounting principles or equivalent in different counties. He is of the view the primary difference between financial accounting and management accounting is the fact that financial accounting involves explanation to outside parties, while management accounting is primarily internal.

In the opinion of Gautam (2005), company required to prepare its final accounts, profit and loss accounts and balance sheet to know the net result of working and financial position at the end of the financial period. He states that section 211 of India companies Act 1956 requires that final accounts of a company shall give a true and fair view of the state of affairs of the company on a particular data and profit or loss of the company for the period (generally a year) ending and on the date of balance sheet. He went further to say that final accounts are to be prepared and presented in accordance with schedule V1 of the India companies Act 1956.

In the view of Ranjan (2012), in financial accounting is a useful tool to management and to external users such as shareholders, potential owners, creditors, investors, employees and government. He states that financial accounting provides information regarding the result of its operation and the financial status of the business. He explained some functional areas of financial accounting which include.

- **Financial Transaction:** He explained that accounting as a process deals only with those transitions which are measurable in terms of money. Anything which can not be expressed in monetary terms does not form part of financial accounting, however, Significant it is.
- **Recording of Information:** Accounting, as an art of recording financial transactions of a business concern, these is a limitati9on for human memory. It is not possible to remember all transitions of the business. Therefore, the information is rcorded in a set of books called journal and other subsidiary books and it is useful for management in its decision making process.

TYPES OF FINANCIAL ACCOUNTING

Ama (2004), opines that they are two types or methods of financial accounting namely cash and accrual. Although they are distinct, both method rely on the same conceptual framework of double –entry accounting to record, analyze and report transactional data at the and of a given period, such as a month, quarter or fiscal year.

- **Cash Accounting**

He is of the view that adopting cash accounting enables business owners to focus only on corporate transactions involving cash, other economic events, those with no monetary input don’t matter because they don’t make it into financial statement. Under the cash accounting method, a corporate book-keeper always debits or credits the cash account in each journal entry depending on transaction. To record customer remittances, for example, the book-keeper debits the cash account and credits the sales revenue account.

- **Accrual Accounting**

He States that under accrual method of accounting, a company records all transactional data regardless of monetary inflows or outflows. In other words, this accounting type incorporate the cash accounting method, but goes beyond it to take into account all transactions making up a corporation's operating activities. In a financial dictionary, "accruing" means accumulating an item and recording is as legally binding even though no cash payment takes place. The phrase "accounts payable" and "accounts receivable" perfectly illustrate the concept of accrual. Accounts payment also known as vendor payables, represent money a business owns vendors at a give point in time. The entity accrues the payables until is settles the underlying debts. The same analysis applies to customer receivable; the other names for account receivable which represents money clients own a business. He states that while cash accounting is distinct form accrual accounting, both types interrelate in the fact that they help a company produce a quarter of complete and law biding financial data summarizes at the end of a given period. These include a statement off financial position, a statement of profit and loss, a statement of cash flows, and a statement of change in shareholder’s equity.

- **Regulatory Compliance**

Although government agencies, such as the internal revenue service, accept cash accounting data reporting, the accrual method holds more prominence in the market place. This is especially true for publicly traded companies that must use the accrual method of accounting to record and report economic events. Failure to do so might invite the wrath of shareholders and the Scrutiny of the United States Securities and Exchange Commission.

- **DIFFERENCES BETWEEN BUSINESS ACCOUNTING AND FINANCIAL ACCOUNTING.**

The major differences between business accounting and financial accounting according to Browne (2012), is that financial accounting is focused on meeting external financial standards, whereas business accounting is focused on meeting internal business needs. Related to this is the fact that financial focuses on the financials of the overall organization, whereas business accounting typically focused on one two specific segments of a business. Another major difference is that financial accounting exclusively user historical data and business accounting typically focuses on helping to make decisions about the future. According to him, the uses for the two different types of accounting also lead to the dichotomy that the data and results related to financial accounting must be exact and verifiable, whereas in most cases business accounting involves making estimates and trends that can be produced in a timely fashion for decision making.

- **FUNCTIONS OF FINANCIAL ACCOUNTING**

In the view of Thomas (2004), the functions of financial accounting include.

- To maintain accuracy in recoding: Double–entry book-keeping is generally regarded as the most accurate method of bookkeeping primarily because each transaction is entered in the books twice. This duplication referred to as a form of internal check, highlights any errors.
- To meet the requirement of law: the law in the form of Companies Act, states that companies must keep proper records of their transactions. There is no legislation that specially requires sole traders or partnerships to keep records of their transactions. However, when the Inland Revenue makes a demand for income tax on self-employed person, it usually ask for more than business proprietors would pay if they present accounts showing their

profit for he year. There is thus a financial incentive for sole traders and partnership to maintain proper records.

- To present final account to the owners of the business: These comprise a profit and loss account showing the amount of profit for the period and a balance sheet showing the financial position at the end of that period.
- To present the financial reports and analysis: this include the use of ratios to evaluate the following matters:

(i) The profitability of business

(ii) The level of activity and productivity

(iii) The solvency and liquidity position

(iv) The efficiency of credit control procedures

(v) The efficiency of stock control procedures

(vi) The efficiency of any loans on the business's profitability and financial stability.

2.2. USERS OF ACCOUNTING INFORMATION

Various data that are gathered and communicated by the accounting system for assistance in making decision regarding future actions. Users of accounting information accounting to Wild (2004) Include:

- The infernal parties within the organization
- The external parties outside the organization

He grouped an organization into commercial and government (public) under commercial organization, the internal users are made up of the management and employees. The management require accounting information to assist them in decision making and control of activities. The decision made are as regards to the operations, planning, co-ordination, production, marketing and pricing besides other activities. The role off accounting information is geared towards efficient management which is used to maximize the benefit of both the manufacturers and the consumers. It should be noted that the internal users would require accounting information in other to ascertain the various regulatory compliance, that the actual expenditures are in accordance exist for the protection off public assets. Whereas the external users will require accounting information to ascertain financial viability, planning, controlling, decision making and appraisal of management performance etc. who use the information to assess the value of their investment. The external users of accounting information to asses the ability of the company to meet her financial use the accounting information to determine the level of investment they would advise their client investors to put into any company and whether they will yield light profit with less risk. The Security and Exchange Commission (Sec) would use the information to ascertain if the company is perfuming well or not in the stock exchange market.

He again states that under government organization, the users include the following:

- International agencies, diplomatic mission, regional and sub-regional official institutions to appraise the economic health of the nation and monitor the extent of compliance with international obligation
- Researchers, Journalists, economist, professions and academics adopt it in their analysis of the company performance.
- Local and foreign contractors, lender and s suppliers to help then decide how much time or money to devote to the organization. In other words, government accounting information helps outsiders to reach in formation decisions.
- Civil servants and various trade unions.
- Government parastatals, agencies, Commission including their chief executive and management staff.
  - Government owned companies and their chief executive.
  - The administrators in government secretary, chairman of commission and boards.

- The advisers of the executive in various functions, ministries and departments, the executive heads of government and their advisers
- The legislators and regulatory bodies.

The public including the Local Community are interested in information that is useful in assessing the trends and recent developments in the entity's prosperity and the range of the activities The

2.3 CONCEPT OF FINANCIAL REPORT

Financial report according to Igben (2007), is the "Communication of financial information useful for making investment, credit and other business decision". Such communication includes general purpose financial statement, balance sheet, equity reports, cash flow reports and notes to these statements. He states that financial report serves as a lot of useful purpose to different users namely, shareholders, creditors, banks government agents, employees, potential investors and management of the entity itself. He is of the view that the effectiveness and efficiency success of an enterprise has a strong link with the quality of reports available for decision making. Therefore financial reports should provide adequate information in all areas of the organization and economic activities.

In the view of wild (2004) financial report summarizes financial information to help you make decisions. He states that financial reports are formal records of a business financial activities which provides an overview of firm's profitability and financial condition in both short and long term. This consists of four related accounting reports that summarized the financial resources, obligation, profitability and cash transaction of the firm. These four basis accounting reports are balance sheet, income statement, cash flow statement, statement of retained earnings; there are also notes to account.

- **OBJECTIVE OF FINANCIAL REPORTING**

Thomas (2004) states that financial reports provides information to investors, creditors, and others who commit fund to a firm. He also states that the financial Accounting Standard Board, the official rule – making body in the private sector, has established a bros set of financial reporting objectives to guide the financial reporting process. Here are the summaries of these objectives and their relationship with the principal financial statement.

- ❖ Financial reporting should provide information useful for making rational investment and credit decisions. This general –purpose objective states simply that financial reporting should be aimed primarily at investors and creditors and should strive to be useful to these individual in their decisions.

- Financial reporting should provide information to help investors and creditors assess the amount, timing and uncertainty of cash flows. This objective flows fun the first by defining "useful" information more fully. It state that investors and creditors are interested primarily in the cash they will receive from investing in a firm. Those cash flow are affected by the ability of the firm to generate the cash flows.
- Financial reporting should provide information about the economic resources of a firm and the claims on those resources. The balance sheet satisfies this objective.
- Financial reporting should provide information about a firm's operating performance during a period. The income statement accomplished this objective.
- Financial reporting should provide information about how management has discharged its stewardship responsibility to owners. Stewardship refers to the prudent use of resources entrusted to a firm. No single statement helps in assessing

stewardship. Rather, owners assessing stewardship using information from all three financial statement and the notes.

- ❖ Financial reporting should include explanations and interpretations to help users understand the financial information provided. Supporting schedules and notes to the financial statement satisfy this objective.

- **CONCEPT OF REPORTING**

The practice of financial reporting has been subject of controversy for a long time now, as attempt to reduce this contrives and its attendants criticizing the three concept have been developed for financial reporting namely:

(i) The Stewardship concept

(ii) The decision making concept

(iii) The general users concept.

- ❖ **The stewardship concept:** this concept recognized ownership and stewardship and therefore, states that accounts should be prepared by steward in such a way that is can show and assure the owners of concern that assets entrusted to their care are safeguarded, well managed and that authority delectated to them is freely accounted for.

- **Decision Making Concept:** This concept extend the stewardship accounting further to involve making the report relevant for decision making by share holders and investors. Shareholders and investors are likely to optimize their investment funds if company reports are capable of producing future performance and conditions.
- **The General User Concept:** This concept of financial reporting maintains that all parties with interest in the business have a right to in information about such a business activities.

- **TYPES OF FINANCIAL REPORTING**

Harker (2003), maintained that in the business world, there are various types of financial reports which are prepared accounting to the standard reporting format and the prevailing legal requirements. He opined that the following types of financial reports are used in practice.

(i) Annual Financial Reports:

One of the responsibilities imposed on a corporation is to report at least annually to the shareholders. The content of this report that are among corporations but for corporations that are publicity held, the corporate annual financial report will include:

- The profit and loss account
- The balance sheet

- The fund flow statement
- The value added statement
- The cash flow statement

(ii) Interium Financial Report:

Those are used to provide periodic current reading on the financial position of the business to the shareholders. These reports are usually submitted to the shareholders on a quarterly basis.

(iii) Securities and Exchange Commission Reporting;

The securities and exchange commission refers to all corporations subject to its jurisdiction to file audited annual report with the commission.

(iv) New announcements:

Where financial press releases on the financial well-being of firms which are quoted on the stock exchange. This information consists of data on sales and earnings for the quarter or year.

(v) Financial Service:

The interested external investors may also have recourse to one or more of the several commercial financial services that tabulate information for a large number of corporations and compile it in asn easily useable from.

He state that generally, financial reporting could be classified under internal and external reporting. Internal reporting is associated with the provision of information for management purpose and the external reporting is used to describe the process by which information is made available to groups other than management.

- **COMPONENT OF ANNUAL REPORT**

Needles, B., Powers, M. & Crosson S. (2008), states that an annual reports a letter to stockholders, a multi- year summary of financial highlight, a description of the company, management's discussion and analysis of the company's operating results and financial condition, the financial statements, a statement about management's responsibilities, and the auditors report.

- **Letter To The Stockholders:** Traditionally, an annual report being with a letter in which the top officers of the corporation tell stockholders about the company's performance and prospects.
- **Financial Highlights:** The financial highlights section of annual reports resents key statistics for at laest a five year period but often for ten year period. It is often accompanied by graphs.
- **Description Of The Company:** An annual report contains a detailed description of the company's products and divisions. Some analysts tend to scoff at this section of the annual report because

it often contains glossy photographs and other image-building material, but it should not be overlooked because it may provide useful information about past results and future plans.

- **Management's Discussions and Analysis:** In this section, management describes the company's financial condition and results form one year to next.
- **Financial Statements:** All companies present the same four basic financial statements in their annual reports, but the names they use may vary.
- **Notes to the Financial Statements:** To meet the requirement of full disclosure and help users interpret complex items, company must add notes to the financial statements. The notes are considered an integral parts, of the statements. In recent years, the need for explanation and further details has become so great that the notes to the financial statements include a summary of significant accounting policies, generally accepted accounting principles requires that the financial statements include this summary. In most cases, this summary is presented in the first note to the financial statements or as a separate section just before the notes. In this summary, the company tells which generally accepted principles it has followed in preparing the

statements. An explanatory note is the other notes that explain some of the items in the financial statements. Supplementary information note in the recent years, the FASB and the SEC have ruled that certain supplemental information must be presented with financial statements. Examples are the quarterly reports that most companies present to their stockholders and to the SEC.

- **Reports of Management's Responsibilities:** Separate statements of management's responsibility for the financial statements and for internal control. Structures accompany the financial statements as required by the Sarbanes –Oxley ACT OF 2002.
- **Reports of Certified Public Accounts:** The registered independent auditor's reports deals with the credibility of financial statements. This report prepared by dependent certified public accountants, give the accountant's opinion about how fairly the statements have been presented. Because management is responsible for preparing the financial statements, issuing statements that have not been independently audited would be like having a judge hear a case in which he or she was personally involved. The certified public accountants, acting independently, add the necessary credibility to management's figues for interested

for interested third parties. They report to the board of directors and the stockholders rather than to the company's management.

- **ACCOUNTING INFORMATION FOR PUBLIC LIMITED LIABILITY COMPANIES**

At present, the provisions of companies and allied matters decree (CAMD) 1990 now referred to as 'act' governs the preparation of financial statement of limited liability companies in Nigeria. Specifically, published financial statements comprise the following:

- Directors' report
- Auditor's Report
- Statement of standard Accounting policies (SSAP)
- Profit and loss Account (or in the case of companies not trading for profit –income and Expenditure Account)
- Balance sheet
- Value added statement
- Cash flow statement
- Notes to the account
- Five year financial summary

Others include chairman's report and credit committee's report.

- **DIRECTORS' REPORT:** The directors' report given certain factual information relating to the year under review, which has been disclosed by law. The details required by status to be disclosed in the directors' report include statements on the following:

(i) Principal activities of the company

(ii) Legal form of the company

(iii) A summary of the company's result for the year

(iv) Dividend proposes for the year as well as dividend ….. share

(v) A review of the company's business as well as future development contemplated.

(vi) The names of the directors who have served the company during the year showing details as to date of those newly appointed and those who resigned during the year.

(vii) Directors' shareholding in the company

(viii) Director's interest in contract and some other transactions that are related partly to transactions.

(ix) Research and development activities

(x) Details of major shareholders (if any).

(xi) Details of employment of disable person as well as company's policy toward disabilities.

(xii) Details of the company's health safety and welfare of the employees.

(xiii) Details of employees training and development undertaken during the year.

(xiv) Details of donations give by the company during the year

(xv) Details of any post balance sheet events

(xvi) Names And addresses of company's auditors

(xvii) Names and address of company's secretary.

- **THE AUDITORS REPORT:** The companies and Allied Matters Act (2004) as amended, maintained that the role of auditors has becomes increasingly important since audit was first made compulsory under the Act. The Act States that an audit must be carried out by accountants belonging to recognized bodies by the department of trade, auditors are guiding the phonation of accounts not only by the legal requirement as confirmed by columbines. Impishly (the Nigerian accountant) but also by:

(i) Recommendations of accounting principles and

(ii) Statement of standard accounting principles (SSAP)

- **STATEMENT OF STANDARD ACCOUNTING POLICIES (SSAP)**

An accounting standard is a statement used by the appropriate standard–Setting body locally or internationally or a specific area or topic in financial accounting, the acceptance/ application of which is mandatory for users of accounting information. Accounting standards are issued at the international level by the international Accounting standard Board (ASB) for merely international accounting standard committee (ASC) which they are issued in Nigeria by the Nigerian Accounting standard Board (NASB). The standard used by the ISB are known as international financial Reporting Standard (IFRS).for merely international Accounting Standard (IAS), while those issued by the NASB are known as statement of accounting standard (SAS). The directors consider that in preparing the financial statements of the company and the group appropriate accounting policies were consistently applied and supported by reasonable and prudent judgments and estimates. All accounting standards, which they consider to be applicable, have been followed.

- **PROFIT AND LOSS ACCOUNT (THE INCOME STATEMENT)**

Income statement according to Aborode (2006) is the account that shows the net profit or net loss of an organization income. Gains are credited, while expenses are debited.

FORMAT

Aborode states that the formal is most suitable to trading services related companies, but manufacturing companies can also use the format.

Turnover		x
Cost profit		(x)
Gross profit		x
Distribution profit		(x)
Administration expenses		(x)
		x
Other operative income		x
Operating profit		x
Investment income		x
		x
Amount written off investment	(x)	
Interest expenses	(x)	(x)
profit activities before tax		x
Taxation		(x)
Profit on ordinary activities after taxation		x
Extra – ordinary income	x	
Less: extra –ordinary charges	(x)	x
Extra-ordinary profit (loss)	x	
Tax on extra –ordinary charges	(x)	x
Activities after taxation		x

Appropriations:		
Transfer to reserve	x	
Dividend –Interim paid	x	
Final proposed	x	(x)
Retained profit for the year		x
Retained profit brought forward B/F		x
Retained profit carried forward C/F		x

- **BALANCE SHEET.**

Aborode (2006), defined a balance sheet as the statement that shows the [presentation of the summary of assets and abilities in a well arranged from, so hat the financial position may be clearly ascertained. He maintained that balance sheet is not an account but a statement showing the balance remaining in the books. He states that the balance sheet must be headed as "the balance sheet as at 31st

BALANCE SHEET AS AT 31ST

Employment of capital		x
Fixed assets		x
Long-term investments	x	
Long –term debts (deferred changes)	(x)	x
Current assets:		
Stock and work –in- progress	x	

Debtors and repayment	x	
Short –term investment	x	
Cash and bank	x	
	X	
Less: Current liabilities	(x)	
Net current assts		x
Total assets		x
Long-term liabilities (e.g goodwill)	x	
Accruals and deferred income	x	
Provision for liabilities and charges	(x)	x
Total net asset.		x

Capital and Reserves

Share capital	x
Reserves	x
Shareholders fund	x

- **VALUE ADDED STATEMENT**

The relevance of value added statements depends upon its values to a potential user Akinso- Yinu (2005) says that it provides a sound base for more realistic decision making. Valve added statements constitutes the difference between the monetary value of output and input of goods and services attributable to business. It is an alternative way of preparing the profit and loss account. He maintained that the purpose of vale added statement is to show the distribution of value added among the various stakeholders such as employees, government, shareholders etc.

- **BASIS FOR PREPARING VALUE ADDED STATEMENT**

Two bases can be employed to prepare value added statement. They are:

(i) **Gross Basis:** under this basis, depreciation is considered as part of distribution to value added.

(ii) **Net Basis:** Under this basis, depreciation is considered as part of bought –in-materials and services.

- **VALUE ADDED STATEMENT FORMAT (GROSS BASIS)**

	₦	₦	%
Turnover	x		
Less: brought –in-material &services	(x)	x	
Value added by trading activities		x	
Investment income	x		

Extra –ordinary items	x		
Profit from associate companies	x	x	
Value added for distribution		x	100
Applied as follows:			
To pay employees wages, salaries			
And benefits		x	
To pay providers of capital		x	
Net interest charges on loan	x		
Annuity interest	x		
Dividend	x		
Shareholders service	x		
Transfer to minority interest	x	x	
To Pay Government:			
Company income tax	x		
Company income tax	x		
Education tax	x		
Other levies	x	x	
To retain in the business for			
Maintenance of assets and for			
Expansion:			
Depreciation of assets		x	

Transfer to reserve	x	x	
Retain profit for the year		x	100

- **CASH FLOW STATEMENT.**

Harker (2003), states that cash flow is a statement prepared essentially to explain the reasons for the increase or decrease in the cash and bank balances of the company. It is otherwise called source and application of funds statement or funds flow statement. He says that this fund flow statement indicates where cash came from and how it was used, it answers such questions in "what has the firm done with the money? And what will it do with new fund? How will it repay its loans? If the statement is analyzed on project basis, it shows how a firm plans to acquire and employ funds during the future. When the transaction accuses the assets to decrease or the liabilities to increase, it is a source; otherwise it is applicable to funds. The invasion of such statement is useful to improve the understanding of the operations and activities of an enterprise for the reporting period. He opined that a cash flow statement is divided into their parts. There are:

- Cash flow from operating activities which is profit before tax plus adjustments for non- cash items like deprecation, profit or loss on disposal of fixed assets ect.

- Cash flow form investment activities which includes proceeds from disposal of assets and investments, purpose of fixed assets and investments.
- Cash flow from financing activities, which includes:

(i) Proceeds from issue of shares and debentures

(ii) Redemption of shares and debentures

(iii) Payment of dividend, interest.

CASH FLOW STATEMENT

	₦	₦
Cash flow operating activities:		
Operating profit before tax		x
Equity interest in (undistributed earnings)		
Loss of associated companies (net of tax)		(x)
Net (Deficit) /surplus on consolidation/		
Additional acquisition		x
Depreciation of fixed assets		x
Provision for unfounded retirement benefits		x
Profit on sale of fixed assets		(x)
Profit on sale of investment		(x)
Interest on loans		x
Interest on bark deposits		(x)

Cash flow before charges in working capital		x
Change in working capital		(x)
Increase in stocks		(x)
increase/Decrease in debtors and prepayment	(x)	
Increase in creditors	x	
Increase/ (decrease in other provisions	x	x
		X
Taxation payment		(x)
Retirement		(x)
Net cash inflow /(out flow) from operation captivities		x 1
Cash flow from investing activities		
Purchase of fixed assets		x
Acquisition of subsidiary company		(x)
Proceeds from sale of fixed assts		x
Investment in associate and other company		(x)
Proceeds from sale of investments		x
Interest recorded on bank deposits		x
Net cash flow for investing activities		x 2
Cash flow financial activities		
Proceeds from issue of shares and debenture		x
Redemption of preference shares and debenture		(x)

Dividend paid	(x)
Interest paid	(x)
Withholding tax paid	(x)
Other long-term debts granted (repaid)	x
Net cash flow from financial activities	x3

- **NOTE TO THE ACCOUNT**

  Notes to the accounts include the following:

(i) Fixed assets schedule

(ii) Debtors and prepayments

(iii) Cash and bank balance

(iv) Share capital

(v) Long-term liability

(vi) Creditors and accurate falling due within one year

(vii) Analysis of turnover by classes of business and geographical area.

(viii) Other income

(ix) Exception items

(x) Extra-ordinary items

(xi) Financial charges

(xii) Tax due on profit on ordinary activities

(xiii) Dividends

- **BENEFITS OF NOTES TO THE FINANCIAL STATEMENT**
    - They explain the details of items included in the financial statement.
    - They serve as a means of improving financial information provided by the public.
    - They aid a comprehensive presentation of financial statement.

- **FIVE YEARS FINANCIAL SUMMARY**

The five (5) years financial summary according to Aborode (2006) focuses on the profit and loss account and the balance shed of an enterprise for the current period and the preceding four years in such a way as to easily reveal the trend of the company's performance over the period at a glance.

- **FIVE YEARS FINANCIAL SUMMARY AT A GLANCE**

	2012	2011	2010	2009	2009
<u>Balance sheet</u>	xx	xx	xx	xx	xx
Fixed assets	xx	xx	xx	xx	xx
Investments	xx	xx	xx	xx	xx
Net current assets	xx	xx	xx	xx	xx
Long-term loan	xx	xx	xx	xx	xx

	xx	xx	xx	xx	xx
Called up share capital		xxx	xxx	xxx	xxx
Capital reserve	xx	xx	xx	xx	xx
General reserve	xxx	xxx	xxx	xxx	xxx
Other reserves	xxx	xxx	xxx	xxx	xxx
	xxx	xxx	xxx	xxx	xxx

PROFIT & LOSS ACCOUNT

Profit before tax	xxx	xxx	xxx	xxx	xxx
Taxation	(xx)	(xx)	(xx)	(xx)	(xx)
Profit after tax	xx	xx	xx	xx	xx
Dividends	(xx)	(xx)	(xx)	(xx)	(xx)
Reserves	(xx)	(xx)	(xx)	(xx)	(xx)
Retained profit for years		xxx	xxx	xxx	xxx
Earnings per share	xx	xx	xx	xx	xx
Dividend per share	xx	xx	xx	xx	xx

- **USES OF FIVE YEARS FINANCIAL SUMMARY**
  - It enables users to have some idea of trends in a company over a period of time.
  - It enables users to assess the performance of the companies over the period.
  - It may be used to forcast future performance.

- **LIMITATION OF FIVE-YEARS FINANCIAL SUMMARY**

    - It concentrates only on one company's result and fails to meet requirement of investors in two or more companies within the same industry.
    - The comparability in accounting values may be impaired where different accounting policies and bases are employed at different times even by the same organization.
    - The consistent fluctuation in currency values in recent times implies that values disclosed in five years summary actually strictly comparable.

- **LEGAL AND AUDIT REQUIREMENT OF FINANCIAL REPORTS**

Co-operation laws of all countries lag down the requirements relating to maintenance and disclosure of account, preparation of annual report, their audit by professional accountants to shareholders in Nigeria, schedule 2 of the companies Act 1990 lay down the minimum information to be disclosed in the profit and loss account and the balance sheet. Statement of Accounting Standard (SAS2/IASS) also set out the item to be disclosed taking cognizance of the disclosure requirement of the companies Act 1990 and related regulations.

2.4 CHARACTERISITCS OF GOOD FINANCIAL REPORT

As we have observed, financial reports is the bedrock for management decision making. A poorly prepared, ill timed, unsummarized, inaccurate and unreliable financial report will automatically lead to a bad and poor decision by the users.

In the view of Nwabusili (2009), the characteristics of good reports include the following:

- **BRIEF:** He states that financial report of the organization should be brief, summarized and straight to the point, it must avoid unnecessary establishments. A clear, concise and objective report is a panacea for taking good decision.
- **ACCURACY:** He also states that the financial report should exhibit a reasonable accuracy so as to be relied upon by different users.
- **TIMELY:** He maintained that the reports should be handy us at when due so as to aid management in taking pressing decision.
- **ABILITY TO DEFECT DEVIATION:** He again states that financial report should be capable of detecting variables or pointing out variables as regards actual results and budgeted results. This helps management to study the reason for the deviations of variances and

apply appropriate measure towards correction. In addition, it provides solutions in resolving the variances.

Nwankwo (2008), argued that the characteristics of good report include:

- **UNDERSTANDABLE:** Preparation of financial report should be in accordance with generally accepted accounting principles so that the parties interested in this report can easily understand it. The financial report are intended to be understandable by users who have reasonable knowledge of business and economic activities and accounting and who are willing to study the information diligently.
- **COMPLETENESS:** The financial report should provide users with a sounds picture of the economic activities of the reporting entity. By this, it means that every aspect of the business which can be reported in money terms should be reported as far as possible to give information concerning the result completely.
- **TIMELINESS:** The data of the publication of any financial report should be soon after the end of the period to which the report relates, as corporation is geared towards the provision of information for decision making. Unnecessary delay in the preparation of financial report may loss their relevance.

- **ACCURACY:** The financial report should disclosed correct and accurate information about the profitability and financial position of a business.

2.5 CONCEPT OF DECISION MAKING

Decision making according to Ugwu (2003), is defined as the selection of a course of action from among alternatives. He says that it also involves the actions that must take place before a final choice can be made. Sociological theory states that decision making is conscious human process involving both individual and social phenomenon based upon actual premises that concludes with a choice of one behavioural activity amongst alternatives. He states tat the effective decision require selection of a course of action and certain conditions must be met before people can be said to act rationally and they are:

- They must attempt to reach a goal that could not be attained without positive action.
- They must have a clear understanding of alternative courses by which a goal can be reached under existing circumstances.
- They must also have the information and the ability to analyse and evaluate alternatives in light of the goal sought.

- They must have a desire to come to the best solution by selecting the alternative that most effectively satisfies the goal achievement.

The providing and analyzing of information is the important role financial reports plays. Once appropriate alternative had been settled, we are likely to think exclusively of the quantitative factors. Decision based on sound and actual premises are likely to be veritable and attainable.

TYPES OF MANAGEMENT DECISIONS

In view of Emekekwue (2005), management in a business organization refers to group of people (managers) who are responsible for day-today-day operation of the enterprise. They are responsible for planning, co-ordinating or organizing, controlling and decision making and are technically referred to as the management team. Management decision is basically in the nature of solutions to problems. Management is an inseparable part of the other functions of management as stated above. That it, it will be impossible to make an exhaustive list of different types of that management decisions of business organization faces because the problem that give rise to them are varied and wide. However, it is possible to identify this basic types of management decision.

They include:

- **STRATEGIC PLANNING DECISION:**

This is a process of deciding on the organization, on changes in these objectives and the sources used to attain these objectives and the policies that are to govern the acquisition and deposition of these resources. Strategic planning involves choosing objectives and planning how to achieve is done with a view to long term future, its consequences and result might also be short-term. Strategic planning decision is largely a process of formulating plans, but it also include an important element of control. The information needed to arrive at this type of decision is also known as strategic information.

- **MANAGEMENT CONTROL DECISION:**

Management control decisions are taken within the framework of strategic law and objectives which has previously been made or set. It ensures that resources are obtained and used effectively and efficiently in the accomplishment of the organizational objectives. Efficiency means that resources (input) are put into a process to produce the optimum (maximum) amount of output. Effectiveness means that the resources are acted to desired ends. Management control decisions are semistructured. The type of information required at this level is tactful information.

- **OPERATIONAL CONTROL DECISION:**

This type of management decision that ensures that specific tasks are carried out effectively and efficiently. It focuses on individual task and is carried out with strictly defined guideline issued by strategic planning and management control decision. Many operation control decision can be automated or programmed control. Programmed controls exist where the relationship between input and output are clearly defined, so an optimal relationship can be specified for every activity.

2.6 EFFECT OF FINANCIAL ACCOUNTING REPORTING ON MANAGEMENT DECISION

The accountant in the organization of business is a member of the top decision making process. Although the accounting does not control in terms of line authority (accounting is a staff function). As chief information officer, he or she is in position to exercise control in very special way. This through the reporting and interpreting of data needed in decision making. By the supplying and interpreting of relevant and timely data, the accountant exerts influence on decision and plays a key part in directing an organization towards objectives.

The effect of financial accounting reporting on management decision according to Ugwu (2003), is that accounting reports affect financial decision making because money is the economic fuel that supports business initiatives. He states that most decisions are based on financial report as business activities revolve around money. It has been emphasized that in large part, the quality of management decision will be a reflection of the quality of accounting and other information which it receives. Simply put bad or wrong information will generally lead to bad decision. The accounting information provided in the financial report by the accountant is essentially financial in nature, helping management to do principally three things.

- Plan effectively and focus attention or plan.
- Direct day-to-day operations.
- Arrive at the best solution to the operating problems faced by the organization.

- **PLANNING EFFECTIVELY:**

The plans of management are expressed as budgets and term budgeting is often applied to management generally. Budgets are usually prepared on an actual basis (half yearly or quarterly budgets do exist) and the desires and goals of management in specific quantitative term, planning is to be followed by physical action. Once the budgets have been set, the board of directors and the management team will need information inflows that will indicate how well the plans are materializing or otherwise. Financial reports provides this information need. It offers all the assistance needed by supplying performance reports hat will help the management focus on problems. The performance reports which reveals the existence of problems or otherwise, directs on existence of problem or otherwise, direct on the course of action to be taken by management decision in this regard again, becomes obvious. Financial report supplied by the accountant as information are a form feedback to management, directing their attention towards those part of the organization whose managerial time can be served and where it can be served and where it can be used most effectively.

- **DIRECTING OPERATIONS**

Management has a constant need for information in routine conduct of day-day-day operations. For example, pricing new items going onto display show will depend on financial reports to ensure that the price relationship are in harmony with the marketing strategies adopted by the firm. The work of accountants is the provisions of accounting information (the preparation of financial report) and the management are connected in the conduct of day-to-day operations.

- **SOLVE PROBLEMS**

Information is often a key in the analysis of alternative methods of solving problems. Financial accounting is generally responsible for gathering the available cost and benefit data and for communicating. It is a useful firm to the appropriate authority. Decision to either reduce price or increase advertisement or to do both the face of increasing competition, in order to maintain market share of its product, a firm will depend on information on the lost benefit data, provided by the accountant. This information is not often readily available information, in fact in financial accounting a large amount of special analytical work and forecasting is done in other needed data like this.

Finally and essentially, financial reporting must be in a summary firm. Accounting system handles numerous amounts of details in recording of day-to-day transactions. As they appear, this details may not be of interest to a manager but his interest is in the summaries that are drawn from the records (financial reports) and it is on these that he or she relies on.

2.7 THE IMPORTANCE OF FINANCIAL ACCOUNTING REPORTING IN ORGANIZATIONS

The researcher holds the view that financial reports of a firm plays a vital role in helping the interested parties to arrive at his decisions. Infact it is the raw material for necessary exercise. The financial reports provides some basis for understanding the business activities and of course, the past financial performance of such company. To some extend, it indicates the breakdown of profitability between different areas and the variability of profits.

Wild (2004), states that financial reports summarizes financial information which helps in making decisions. He added that financial reports also helps to predict the future effects of decisions and it helps to direct attentions, to correct problems, imperfections, and inefficient as well as opportunities. He maintained that financial reports equally aid public officers in decision making. Managers and accountants in government agencies, hospital, universities, school board e.t.c use financial reports, money must be raised and spent, budget must be prepared and financial performance must be assessed. They need these financial repots in order to carry out the above objectives and are done only after the alternatives course of actions have been considered.

In conclusion, a financial report is very important in the firm. It determines the viability and continuous existence of a firm. It would be difficult to ascertain whether or not a firm is making profit without a set of complete and up-to-date financial reports. Financial report helps management to make better decisions, improve efficiency and proper functioning are the end results.

REFERENCES

Thomas, A. (2004). *An introduction to financial management*, London: McGraw – Hill Publications.

Companies and Allied Matters Act 1990 (CAMA 1990) SECTION 334(2).

Ugwu, A. (2003). *The use of accounting information for management decision making*, Enugu: Esut.

Emekekwue, P. (2005). *Corporate finance management*, Enugu: African Bureau of Educational Sciences.

Aborode, R. (2006). *A practical approach to advance financial accounting*, Lagos: EL-Toda Venture Ltd.

Wild, J. (2004). *Financial accounting information for decision making*, Madison: Library of congress publications.

Igben, R (2009). *Financial accounting made simple*, Lagos: ROI Publications.

Ama, A. (2004). *Simplified financial accounting*, Enugu: John Jacob's Classic publications.

Ferris, K. (2000). *Financial accounting and corporate reporting*, New York: Smith & Son Printing Inc.

Needle, B., Powers, M. & Crosson, S. (2008). *Principles of accounting*, Boston: Houghton Muffin Company.

CHAPTER THREE

3.0 RESEARCH DESIGN AND METHODOLOGY

3.1 RESEARCH DESIGN

Research design is drawing of an outline from which research is made (Chukwuemeka, 2002). It can also be described as a number of decisions which need to be taken regarding the collection of data. A research design is the overall operational pattern of framework of the research work.

The research design for this project is the survey research which enables the researcher to gather information regarding the research problem which will source as a means of provide possible solutions to the problems. It will basically be used to explain how financial accounting report affect managerial decision making.

3.2 SOURCE OF DATA

This refers to where the information originates from. In carrying out this research, the two sources of data available to the researcher are:

i. Primary data

ii. Secondary data

3.2.1 PRIMARY DATA

Primary data are data of originated or first routine. The advantage of this type of data is that the exact information wanted is obtained. The primary sources of data were gotten through questionnaire, personal interview and observation of the case study.

(a) **Questionnaire:** This is the main instrument of measurement used for the collection of primary data. It is formalized schedule for obtaining and recording specified and relevant information with tolerable accuracy and completeness. It contains series of written question on the effect of financial accounting reporting in managerial decision making in Nigeria bottling company Plc. The questions are sixteen in numbers and were administered to a statistically determined sample size. The questionnaire contain simple structure question using close-ended questions with five likert scale method of strongly agree (SA), agree (A), disagree (D), strongly disagree (SD) and undecided (U).

(b) **Interview:** A personal interview is a medium through which oral information is collected from an individual. It is a verbal interaction between the person seeking information (interview) and the person supplying the information (interviewee). This method served a very useful purpose in obtaining certain facts and information that could not be possible through the questionnaire method.

3.2.2 SECONDARY DATA

The secondary sources of data involves information gotten from already conducted research work that relates to the study. They include textbooks, journals, published and unpublished lecture notes, internet and previous research studies.

3.3 RESEARCH INSTRUMENT

A research instrument is any device constructed for recording of measuring data. It is the means for generating pertinent information to be used for solving the research problems. The researcher made use of the following instruments in obtaining the needed information; questionnaire, personal interview and direct observation of financial statements.

Questionnaire was designed and administered to the employees of Nigeria bottling Company Plc in order to obtain valuable data for analysis, interpretation and appreciation of problems stated in this project. In the set of questionnaire structure question, multiple choice (close-ended) questions were used.

3.4 RELIABILITY/VALIDITY OF RESEARCH INSTRUMENT

The validity of measuring instrument has been defined as the extent to which in scores on it reflects true differences among individual on the characteristic that we seek to measure rather than constant or random errors. The contents of the questionnaire were pre-tested for validity. The instrument were made simple and to the point of which enabled the respondents supply relevant information, this proves the validity of the instrument. The study instrument used in this research were observation and personal interview hence, its validity and reliability are of no doubt still used by other researchers.

Reliability is the degree to which a measuring instrument produced outcomes when it is repeated. Reliability of instrument used is based on the statistical tool employed for data analysis.

3.5 POPULATION OF THE STUDY

Population refers to the totality of targeted individual that form the focus of this study. It is the collection of elements, units or individual for which information is sought. The population for this study consist of employees drawn from some vital departments or section of workers of he Nigeria Bottling Company Plc.

These departments were as follows:

DISTRIBUTION POPULATION FOR NIGERIA BOTTLING PLC

S/N	**Departments**	**No. Of staff**
1	Accounting/Auditing	19
2	Administrative	17
3	Production	21
4	Marketing	13
	Total	**70**

Source: Field Survey, 2013

3.6 SAMPLE AND SAMPLING PROCEDURES

A sample refers to a small representative of a large population, while sampling involves the selection of a number of study units from a defined study population. The opinions and views were sampled from the staff of Nigeria bottling Plc. To ensure the determination of accurate sample size the statistical formula derived by Yaro Yomeni (1964) was employed. The formula states thus:

$$n = \frac{N}{1 + N (e)^2}$$

Where:

n = Sample Size

N = Population Size (70)

e = Level of Significance (acceptable error/limit 5%)

I = a constant number

For the purpose of this research works, our level of significance (e) = 5% or 0.05 that is a 95% confidence limit.

Since n = ?

N = 70

e = 5% or 0.05

substituting the above values into the formula, we have that

$$n = \frac{70}{1 + 70\ (0.05)^2}$$

$$= \frac{70}{1 + 70\ (0.0025)}$$

$$\frac{70}{1 + 0.175}$$

$$\frac{70}{1\ .\ 175}$$

n = 59.57

n = 59

The sample size of the population is 59 and the researcher issue the same questionnaire to the staff of the departments to the responses in the study.

The sampling technique used in this study is the probability sampling. Probability sampling can be simple random or stratified random. The simple random sampling allow for generalization to take place.

The researcher used Bowley's proportional formula to indicate the number of individual chosen for t he sample size from each department.

$$nh = \frac{n \times Nh}{N}$$

Where:

nh = Number of questionnaire allocated to each department

n = Total sample size

Nh = Number of employees in each section of the population

N = Population size

ACCOUNTING/AUDITING DEPARTMENT

$$nh = \frac{59 \times 19}{70} = \frac{1121}{70} = 16$$

ADMINISTRATIVE DEPARTMENT

$$Nh = \frac{59 \times 17}{70} = \frac{1003}{70} = 14$$

PRODUCTION DEPARTMENT

$$Nh = \frac{59 \times 21}{70} = \frac{1239}{70} = 18$$

MARKETING DEPARTMENT

$$Nh = \frac{59 \times 13}{70} = \frac{767}{70} = 11$$

TABLE SHOWN BELOW

Department	No. of Staff	No. of Sample
Accounting/Auditing	19	16
Administrative	17	14
Production	21	18
Marketing	13	11
Total	**70**	**59**

Source: Field Survey – 2013

3.7 ADMINISTRATION OF RESEARCH INSTRUMENT

Questionnaires were designed and administered to the departments of Nigeria Bottling Company Plc. The questionnaires were administered through self and hand delivery to the selected respondents of each department. The researcher made sure that each section gets the complete number of questionnaires in each section that were systematically selected and of which questionnaire was delivered and retrieved to the researcher.

3.8 METHOD OF DATA ANALYSIS

The tools used to analyzing the data include percentages and simple statement as referred to the questionnaire delivered as represented in a tabular form.

z = test method is used to test the null hypotheses formulated

the formula is given below:

$$z = \frac{\bar{x}1 - \bar{x}2}{\sqrt{\frac{(SD1)^2}{n^I} + \frac{(SD2)^2}{n^2}}}$$

Where:

z = Test Statistics

$\bar{x}1$ = mean of sampled 1

$\bar{x}2$ mean of standard 2

SD1 = Standard deviation for sample 1

SD2 = Standard deviation for sample 2

n1 = Sample size for sample 1

n2 = Sample size for sample 2

3.9 DECISION CRITERION FOR VALIDITY OF HYPOTHESES

Reject the null hypotheses (H_0) and uphold alternative hypothesis (H1) if the z calculated value exceeds the z critical value otherwise. Accept null hypothesis (H_0) and reject alternative hypothesis (H_1)

CHAPTER FOUR

4.1 DATA PRESENTATION AND ANALYSIS

The essence of this chapter is to present and analyze the data collected for this study. This presentation and analysis of data were based on the responses gotten from the intended respondents. These respondents were individuals in different departments such as accounting/auditing, administrative, production and marketing.

However, the researcher considers it necessary to state that in making the analysis emphasis was placed much on these questions that have close relationship with the research objectives. The opinion of each question in the questionnaire would be analyzed using simple tables and percentage.

For the purpose of collection of data, the researcher distributed fifty nine (59) questionnaires to respondents and collected fifty five (55). The analysis of questionnaire distributed is stated below:

DISTRIBUTION AND RETURN OF QUESTIONNAIRE

S/N	Staff of Nigeria Bottling Company Plc	No. of Questionnaire Distributed	Number Returned	Percentage %
(a)	Accounting/Auditing	24	23	42
(b)	Administrative	13	12	22
(c)	Production	12	11	20
(d)	Marketing	10	9	16
	Total	59	55	100

SOURCE: Field Survey – 2013

TABLE 4.2.1 ANALYSIS OF DATA

Question 1: Sex

RESPONSE OPTION	NUMBER OF RESPONSE	PERCENTAGE (%)
(a) Male	29	53
(b) Female	26	47
TOTAL	55	100

SOURCE: Field Survey – 2013

Of all the respondents 53% representing 29 in numbers were male, while 47% representing 26 in number were female.

QUESTION 2: AGE

RESPONSE OPTION	NUMBER OF RESPONSE	PERCENTAGE (%)
(a) 20 – 30 yrs	19	35
(b) 30 – 40 yrs	27	49
(c) 40 and above	9	16
Total	55	100

SOURCE: Field Survey – 2013

The age categories distributed as shown above ranges from 20-40 and above. 20-30 years fully completed and returned were 19 and it represents 35%, 30 – 40 years received were 27 and it represents 49%, while 40 and above were 9 and it represents 16%.

The table above shows that 27% representing 15 respondents were managers, while 73% representing 40 respondents were subordinate.

QUESTION 4: DURATION OF SERVICES IN ORGANIZATION

RESPONSE OPTION	NUMBER OF RESPONSE	PERCENTAGE (%)
(a) 1 – 5 yrs	6	10
(b) 6 – 10 yrs	19	35
(c) 11 – 15 yrs	7	13
(d) 16 – 20 yrs	13	24
(e) 21 – 25 yrs	7	13
(f) 26 – 30 yrs	3	5
TOTAL	55	100

SOURCE: Field Survey – 2013

The above table shows that 10% representing 6 respondents have served for 5 years, 35% representing 19 respondents have served for 10 years, 13% representing 7 respondents have served for 15 years, 24% representing 13 respondents have served for 20 years, 13% representing 7 respondents have served for 25 years and 5% representing 3 respondents have served for 30 years.

QUESTION 5: WHAT DEPARTMENT DO YOU BELONG TO?

RESPONSE OPTION	NUMBER OF RESPONSE	PERCENTAGE (%)
(a) Accounting/Auditing	24	44
(b) Administrative	3	5
(c) Production	18	33
(d) Marketing	10	18
Total	55	100

SOURCE: Field Survey – 2013

The table above shows that 44% representing 24 respondents belong to account/audit, 5% representing 3 respondents belong to administration, 33% representing 18 respondents belong to production and 18% representing 10 respondents belong to marketing.

PART TWO

QUESTION 6: THE VARIOUS WAYS OF PRESENTING FINANCIAL ACCOUNTING REPORTING HAVE EFFECT ON MANAGERIAL DECISION MAKING.

RESPONSE OPTION	NUMBER OF RESPONSE	PERCENTAGE (5)
(a) Strongly Agree	38	69
(b) Agree	14	25
(c) Strongly Disagree	1	2
(d) Disagree	2	4
(e) Undecided	-	-
Total	**55**	**100**

SOURCE: Field Survey – 2013

The table above shows that 69% representing 38 respondents strongly agreed that the various ways of presenting financial accounting reporting have effect on managerial decision making, 25% representing 14 respondents agreed, 2% representing 1 respondent strongly disagreed, 4% representing 2 respondents disagreed and no respondent for undecided.

QUESTION 7: THERE ARE NO PROPER ALLOCATION OF MANAGEMENT RESOURCES WHICH OFTEN LEADS TO PROFIT MAXIMIZATION OBJECTIVE

RESPONSE OPTION	NUMBER OF RESPONSE	PERCENTAGE (%)
(a) Strongly Agree	26	47
(b) Agree	4	7
(c) Strongly Disagree	19	35
(d) Disagree	6	11
(e) Undecided	-	-
Total	55	100

SOURCE: Field Survey – 2013

The table above show that 47% representing 26 respondents strongly agreed that there are no proper allocation of management resources which often leads to profit maximization objective, 7% representing 4 respondents agreed, 35% representing 19 respondents strongly disagreed, 2% representing 1 respondent disagreed and 9% representing 5 respondents were undecided.

QUESTION 8: MANAGEMENT RECRUIT TRAINED AND PROFESSIONAL PERSONNEL WHICH LEADS TO QUALITY DECISION MAKING

RESPONSE OPTION	NUMBER OF RESPONSE	PERCENTAGE (%)
(a) Strongly Agreed	40	73
(b) Agreed	13	23
(c) Strongly Disagreed	1	2

(d) Disagreed	1	2
(e) Undecided	-	-
Total	55	100

SOURCE: Field Survey – 2013

The above table shows hat 73% representing 40 respondents strongly agreed that management recruit trained and professional personnel which leads to quality decision making, 23% representing 13 respondents agreed, 2% representing 1 respondent strongly disagreed, 2% representing 1 respondent disagreed and no respondent for undecided.

QUESTION 9: MANAGEMENT USE FINANCIAL ACCOUNTING REPORTING SOLELY FOR DECISION MAKING

RESPONSE OPTION	NUMBER OF RESPONSE	PERCENTAGE (%)
(a) Strongly Agreed	16	29
(b) Agreed	25	46
(c) Strongly Disagreed	5	9
(d) Disagreed	9	16
(e) Undecided	-	-
Total		

SOURCE: Field Survey – 2013

The table above shows that 29% representing 16 respondents strongly agreed that management use financial accounting reporting solely for decision making, 46% representing 25 respondents agreed, 9% representing 5 respondents strongly disagreed, 16% representing 9 respondents disagreed and no respondent for undecided.

QUESTION 10: FINANCIAL REPORT INFLUENCES THE INVESTORS TO BUY SHARES FROM THE COMPANY

RESPONSE OPTION	NUMBER OF RESPONSE	PERCENTAGE J(5)
(a) Strongly Agreed	30	55
(b) Agreed	9	16
(c) Strongly Disagreed	2	4
(d) Disagreed	10	18
(e) Undecided	4	100

SOURCE: Field Survey – 2013

The above table shows that 55% representing 30 respondents strongly agreed that the financial reports influences the investors to buy shares from the company 16% representing 9 respondents agreed, 4% representing 2 respondents strongly disagreed, 18% representing 10 respondents disagreed and 7% representing 4 respondents were undecided.

QUESTION 11: CREDITORS USES THE FINANCIAL REPORTS PROVIDED AS A CRITERIA TO LEAD TO COMPANIES

RESPONSE OPTION	NUMBER OF RESPONSE	PERCENTAGE (%)
(a) Strongly Agreed	18	33
(b) Agreed	26	47
(c) Strongly Disagreed	3	5
(d) Disagreed	8	5
(e) Undecided	-	-

SOURCE: Field Survey – 2013

The table above shows that 33% representing 15 respondents strongly agreed that creditors uses the financial reports provided as a criteria to lend to companies, 47% representing 26 respondents agreed, 5% representing 3 respondents strongly disagreed, 15% representing 8 respondents disagreed and no respondent for undecided.

QUESTION 12: PROFITABILITY IS THE END PRODUCT OF THE POLICIES AND DECISION TAKEN BY THE FIRM.

RESPONSE OPTION	NUMBER OF RESPONSE	PERCENTAGE (%)
(a) Strongly Agreed	35	64
(b) Agreed	6	11
(c) Strongly Disagreed	1	2
(d) Disagreed	4	7

(e) Undecided	9	16
Total	55	100

SOURCE: Field Survey – 2013

The table above shows that 64% representing 35 respondents strongly agreed that profitability is the end product of the policies and decision taken by the firm, 11% representing 6 respondents agreed, 2% representing 1 respondents strongly agreed, 7% representing 4 respondents disagreed, 16% representing 9 respondents were undecided.

QUESTION 13: FINANCIAL REPORTING HELP MANAGEMENT IN FORMULATION FUTURE PLANS

RESPONSE OPTION	NUMBER OF RESPONSE	PERCENTAGE (%)
(a) Strongly Agreed l	25	45
(b) Agreed	19	35
(c) Strongly Disagreed	8	15
(d) Disagreed	3	5
(e) Undecided	55	100

SOURCE: Field Survey – 2013

The table above shows that 45% representing 25 respondents strongly agreed that financial reporting help management in formulating future plans, 35% representing 19 respondent agreed, 15% representing 8 respondents strongly disagreed, 5% representing 3 respondents disagreed and no respondent in undecided.

QUESTION 14: FINANCIAL ACCOUNTING REPORTING PROVIDES INFORMATION ABOUT THE FIRM'S OPERATING PERFORMANCE DURING THE PERIOD

RESPONSE OPTION	NUMBER OF RESPONSE	PERCENTAGE (%)
(a) Strongly Agreed	8	15
(b) Agreed	28	51
(c) Strongly Disagreed	14	25
(d) Disagreed	3	5
(e) Undecided	2	4
Total	55	100

SOURCE: Field Survey – 2013

The table above shows that 15% representing 8 respondents strongly agreed that the financial accounting reporting provides information about the firm's operating performance during the period, 51% representing 28 respondents agreed, 25% representing 14 respondents strongly disagreed, 5% representing 3 respondents disagreed, 4% representing 2 respondents were undecided.

QUESTION 15: A GOOD FINANCIAL REPORTS DICTOSES CORRECT AND ACCURATE INFORMATION OF THE ORGANIZATION

RESPONSE OPTION	NUMBER OF RESPONSE	PERCENTAGE (%)
(a) Strongly Agreed	31	56
(b) Agreed	7	13
(c) Strongly Disagreed	3	5
(d) Disagreed	-	-
(e) Undecided	14	26
Total	55	100

SOURCE: Field Survey 2013

The table shows that 56% representing 31 respondents strongly agreed that a good financial reports discloses correct and accurate information of the organization, 13% representing 7 respondents agreed, 5% representing 3 respondents strongly disagreed, no respondent for disagreed and 26% representing 14 respondents were undecided.

QUESTION 16: FINANCIAL REPORTING HAVE EFFECT ON MANAGERIAL DECISION MAKING

RESPONSE OPTION	NUMBER OF RESPONSE	PERCENTAGE (%)
(a) Strongly Agreed	34	62
(b) Agreed	10	18
(c) Strongly Disagreed	1	2
(d) Disagreed	9	16

(e) Undecided	1	2
Total	**55**	**100**

SOURCE: Field Survey – 2013

The table above shows that 62% representing 34 respondents strongly agreed that financial accounting reporting have effect on managerial decision making, 18% representing 10 respondents agreed, 2% representing 1 respondent strongly disagreed, 16% representing 9 respondents disagreed and 2% representing 1 respondent was undecided.

4.2 TESTING OF HYPOTHESES

For the purpose of testing the three hypothesis stated in chapter one, we shall relate each of the items in the questionnaire to the relevant hypothesis to be tested and finally use the z-test technique to test for reliability and validity.

$$z = \frac{\bar{x}_1 - \bar{x}_2}{\sqrt{\frac{(SD1)^2}{n1} + \frac{(SD2)^2}{n2}}}$$

Where

z = Test statistics

$\bar{x}_1$ = Mean of Sample 1 (i.e group of respondents that agreed)

$\bar{x}_2$ Mean of Sample 2 (i.e group of respondents that disagreed)

SD_1 = Standard deviation for sample 1

SD_2 = Standard deviation for sample 2

n_1 = Sample Size for sample 1

n_2 = Sample size for sample 2

4.2.1: TEST FOR HYPOTHESIS ONE

HO: The various ways of presenting financial accounting reporting does not have effect on managerial decision making of the company.

HI: The various ways of presenting financial accounting reporting have effect on managerial decision making of the company.

Analysing the data in table using z – test model. Thus;

$$z = \frac{\bar{x}_1 - \bar{x}_2}{\sqrt{\frac{(SD1)^2}{n1} + \frac{(SD2)^2}{n2}}}$$

TABLE 4.2.1 QUESTION 6

STAFF	NUMBER OF RESPONSE	GROUP THAT AGREED	NUMBER THAT DISAGREED (X2)
(a) Account/Audit	23	22	1
(b) Administrative	12	11	1
(c) Production	11	10	1
(d) Marketing	9	9	0
Total	**55**	**52**	**3**

z = Test =

$$z = \frac{\bar{x}_1 - \bar{x}_2}{\sqrt{\frac{(SD1)^2}{n1} + \frac{(SD2)^2}{n2}}}$$

$$z = \frac{\bar{x}_1 - \bar{x}_2}{\sqrt{\frac{(6.04)^2}{4} + \frac{(0.24)^2}{4}}}$$

$$z = \frac{\bar{x}_1 - \bar{x}_2}{\sqrt{\frac{36.48}{4} + \frac{0.05}{4}}}$$

$$z = \frac{12.25}{\sqrt{9.13}}$$

$$z = \frac{12.25}{3.02}$$

$$z = 4.06$$

NOTE: (i) The level of significance is 0.05

(ii) Decision rule states that the HO (i.e Null hypothesis) should be accepted if the z calculated value is less than the critical value of (± 1.96) and the alternative hypothesis should be rejected if is greater than the critical value ($\pm$ 1.96).

(iii) the (± 1.96) is the critical value of 2 for the two tail test at 0.05 level of significance.

To compare the critical value and the calculated value.

Critical value = (± 1.96)

Computed value = 4.06

Decision on the Accepted/Rejection of HO and HI since the calculated value z is greater than the critical value; we shall reject the Null hypothesis and uphold the alternative hypothesis. The various ways of presenting financial accounting reporting have effect on managerial decision making.

4.2.2: TEST OF HYPOTHESIS TWO

HO: There are no proper allocation of management resources which often leads to profit maximization objective.

HI: There are proper allocation of management resources which often leads to profit maximization objective.

$$z = \frac{\bar{x}_1 - \bar{x}_2}{\sqrt{\frac{(SD1)^2}{n1} + \frac{(SD2)^2}{n2}}}$$

TABLE 4.2.2: QUESTION 7

STAFF	NUMBER OF RESPONSE	GROUP THAT AGREED (X1)	GROUP THAT DISAGREED (X2)
(a) Account Audit	23	13	10
(b) Administrative	12	7	5
(c) Production	11	6	5
(d) Marketing	9	4	5
Total	55	30	25

z = Test =

$$z = \frac{\bar{x}_1 - \bar{x}}{\sqrt{\frac{(SD1)^2}{n1} + \frac{(SD2)^2}{n2}}}$$

$$z = \frac{7.5 - 6.25}{\sqrt{\frac{(3.8)^2}{4} + \frac{(2.48)^2}{4}}}$$

$$z = \frac{1.25}{\sqrt{\frac{14.44}{4} + \frac{6.15}{4}}}$$

$$z = \frac{1.25}{\sqrt{3.61+1.54}}$$

$$z = \frac{1.25}{\sqrt{5.15}}$$

$$z = \frac{1.25}{2.27}$$

$$z = 0.55$$

To compare the critical value and the computed value.

Critical value (± 1.96)

Computed value = 0.55

Decision on the Acceptance/Rejection HO and HI: since the calculated value z is less than the critical value, we shall accept the Null hypothesis. There are no proper allocation of management resources which often leads to profit maximization objective.

4.2.3: TEST OF HYPOTHESIS THREE

HO: Management does not recruit trained and professional personnel which leads to quality decision making.

HI: Management recruit trained and professional personnel which leads to quality decision making.

TABLE 4.2.3: QUESTION 3

STAFF	NUMBER OF RESPONSE	GROUP THAT AGREED (XI)	GROUP THAT DISAGREED (X2)
(a) Account/Audit	23	22	1
(b) Administrative	12	12	1
(c) Production	11	11	0
(d) Marketing	9	8	0
Total	55	53	2

z – Test =

$$z = \frac{\bar{x}_1 - \bar{x}_2}{\sqrt{\frac{(SD1)^2}{n1} + \frac{(SD2)^2}{n2}}}$$

$$z = \frac{13.25 - 0.5}{\sqrt{\frac{6.08)^2}{4} + \frac{(0.41)^2}{4}}}$$

$$z = \frac{12.75}{\sqrt{\frac{36.96}{4} + \frac{0.17}{4}}}$$

$$z = \frac{12.75}{\sqrt{9.24+0.04}}$$

$$z = \frac{12.75}{\sqrt{9.28}}$$

$$z = \frac{12.75}{3.05}$$

z = 4.18

To compare the critical value and the computed value

Critical value (± 1.96)

Computed value = 4.18

Decision on the acceptance/Rejection of HO and HI:

Since the calculated value z is greater than the critical value, we shall reject the Null hypothesis and accept the alternative hypothesis. Management recruit trained and professional personnel which leads to quality decision making.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.1 SUMMARY OF FINDINGS

This research set out to study the effect of financial accounting reporting on managerial decision making. (A case study of Nigeria Bottling Company Plc). The findings analyzed in chapter four could be summarized as follows:

- That the various ways of presenting financial reporting have effect on managerial decision making, so much attention should be given to it.
- That there are no proper allocation of management resources which often leads to profit maximization objective.
- That the management recruitment professional personnel which leads to quality decision making.
- That management use financial reporting solely for decision making.
- That creditors uses financial reports provided as a criteria to lend to company.
- That the majority of staff strongly agreed that the profitability is the end product of the policies and decision taken by the firm.

- That a good financial reports discloses correct and accurate information of the organization.

5.2 CONCLUSION

Having examined in details the effect of financial accounting reporting on managerial decision making in manufacturing companies, one can conclude that financial accounting reporting is very important in every manufacturing companies in Nigeria.

Based on the findings it can be concluded that there are no proper allocation of management resources which often leads to profit maximization objective and if decisions are not made towards it, it may lead to loss rather than profit.

Based on the findings, one can also conclude that management recruit professional personnel and this leads to quality decision making.

It can also be concluded that a good financial reports discloses correct and accurate information of the organization.

5.3 RECOMMENDATIONS

Based on the findings of this research and as a result of the observation, the following measures are recommended with the hope that if implemented, the problems of financial reporting in manufacturing firm will be eradicated viz:

- The management of manufacturing firm should make decisions only on the basis of financial reports to ensure quality decisions.
- Manufacturing firms should employ professional accountants in keeping and maintaining records of the day-to-day activities of the firm.
- There should be regular appraisal of performance to identify training needs and areas for improvement.
- Since the primary aim of every business is maximization of profit, this financial reports should be properly utilized so as to help in profit maximization of the business.
- There should be proper allocation of management resources so as to avoid waste and increase profit maximization which is the main objective of the firm.

Finally, it is hoped that the findings of this research would be useful to organizational managers when making decisions.

BIBLIOGRAPHY

Aborode, R. (2006). *A Practical Approach to Advance Financial Accounting*. Lagos: El-Toda Venture Ltd.

Ama, A. (2004). *Simplified Financial Accounting*. Enugu: John Jacobs Classic Publication.

Chukwuemeka E. O. (2002). *Research Methods and Thesis Writing*. *A Multi-Disciplinary Approach.* Enugu: HRV Publishers.

Companies and Allied Matters Act 1990 (CAMA 1990) SECTION 334(2).

Emekekwue, P. (2005). *Corporate Finance Management*, (*5th edition).* Kinshasa: African bureau of educational sciences.

Ferris, K. (2000). *Financial Accounting and Corporate Reporting*. New York: Smith & Son printing Inc.

Igben, R. (2009). *Financial Accounting Made Simple*. Lagos: ROI Publication.

Needle, B., Power, M., & Crosson, S. (2008). *Principles of Accounting*. Boston: Houghton Mifflin Company.

Thomas, A. (2004). *An Introduction to Financial Management*. London: McGraw-Hill Publications.

Ugwu, A. (2003). *The Use of Accounting Information for Management Decision Making.* Enugu: Esut.

Wild, J. (2004). *Financial Accounting Information for Decision Making*. Madison: Library of Congress Publications.

William, L. (2008). *An Introduction to Financial Management*. London: McGraw-Hill Publication.

APPENDIX A

HYPOTHESIS ONE

Determining the mean for the two groups

$$X1 = \frac{\Sigma x1}{n1} = \frac{52}{4} = 13$$

$$x2 = \frac{\Sigma x2}{n2} = \frac{3}{4} = 0.75$$

determining the standard deviation for the two groups

GROUP 1 (SD1)			GROUP 2 (SD2)		
X1	$X1-\bar{X}1$	$(X1-\bar{X}1)^2$	X2	$X2 - \bar{X}2$	$(X2 - \bar{X}2)^2$
22	9	81	1	0.25	0.06
11	-2	4	1	0.25	0.06
10	-3	9	1	0.25	0.06
9	-4	16	0	0	0
		110			0.18

GROUP 1 (AD1)

$$SD1 = \sqrt{\frac{(x1 - \bar{x}1)^2}{n - 1}}$$

$$SD1 = \sqrt{\frac{110}{4 - 1}}$$

$$SD1 = \sqrt{\frac{110}{3}}$$

$$D1 = \sqrt{36.7}$$

SD1 = 6.06

GROUP 2 (SD2)

$$SD2 = \sqrt{\frac{(x2 - \bar{x}2)^2}{n - 1}}$$

$$SD2 = \sqrt{\frac{0.18}{4 - 1}}$$

$$SD2 = \sqrt{\frac{0.18}{3}}$$

$$SD2 = \sqrt{0.06}$$

SD2 = 0.24

HYPOTHESIS TWO

Determining the mean for the two groups

$$x_1 = \frac{\Sigma x_1}{n - 1} = \frac{30}{4} = 7.5$$

$$x_2 = \frac{\Sigma x_2}{n_2} = \frac{25}{4} = 6.25$$

Determining the standard deviation for the two groups

GROUP 1 (SD1)			**GROUP 2 (SD2)**		
X_1	$X_1 - \bar{X}_1$	$(X_1 - \bar{X}_1)^2$	X_2	$X_2 - \bar{X}_2$	$(X_2 - \bar{X}_2)^2$
13	5.5	30.25	10	3.75	14.06
7	-0.5	0.25	5	-1.25	1.56
6	-1.5	2.25	5	-1.25	1.56
4	-3.5	12.25	5	-1.25	1.56
		45			18.74

GROUP 1 (SD1)

$$SD_1 = \sqrt{\frac{(x_1 - x_1)}{n - 1}}$$

$$SD_1 = \sqrt{\frac{45}{4 - 1}}$$

(GROUP 2 (SD2)

$$SD_2 = \sqrt{\frac{x_2 - x_2}{n - 1}}$$

$$SD_2 = \sqrt{\frac{18.74}{4 - 1}}$$

$SD1 = \sqrt{\frac{45}{3}}$

$SD2 = \sqrt{\frac{18.74}{3}}$

$SD1 = \sqrt{15}$

$SD2 = \sqrt{6.16}$

SD1 = 3.8

SD2 = 2.48

HYPOTHESIS THREE

Determining the mean for the two groups

$x1 = \frac{\Sigma x1}{n} = \frac{53}{4} = 13.25$

$x2 = \frac{\Sigma x2}{n} = \frac{2}{4} = 0.5$

determining the standard deviation for the two groups

GROUP 1 (SD1)			**GROUP 2 (SD2)**		
X1	$X1-\bar{X1}$	$(X1-\bar{X1})^2$	X2	$X2 - \bar{X2}$	$(X2 - \bar{X2})^2$
22	8.75	76.56	1	0.5	0.25
12	-1.25	1.56	1	0.5	0.25
11	-2.25	5.06	0	0	0
8	-5.25	27.56	0	0	0
		110.74			0.5

GROUP 1 (SD1)

$$SD1 = \sqrt{\frac{(x1 - x1)^2}{n - 1}}$$

$$SD1 = \sqrt{\frac{110.74}{4 - 1}}$$

$$SD1 = \sqrt{\frac{110.74}{3}}$$

$$SD1 = \sqrt{36.91}$$

$$SD1 = 6.08$$

GROUP 2 (SD2)

$$SD2 = \sqrt{\frac{(x2 - x2)^2}{n - 1}}$$

$$SD2 = \sqrt{\frac{0.5}{4 - 1}}$$

$$SD2 = \sqrt{\frac{0.5}{3}}$$

$$SD2 = \sqrt{0.17}$$

$$SD2 = 0.41$$

APPENDIX B

Faculty of Management Sciences,
Department of Accounting,
Caritas University,
Amorji-Nike,
Enugu State.
20th June, 2013.

Dear Sir/Madam,

AN APPEAL FOR YOUR ASSISTANCE

This questionnaire is part of a research project on the effect of financial accounting reporting on managerial decision-making. A case study of Nigeria Bottling Company Plc, in partial fulfillment of the award of Bachelor of Science (B.Sc) degree in accounting.

The aim of this questionnaire is to enable in obtaining all the necessary information on the research.

The research questionnaire is strictly for academic purposes and all information collected will be treated with utmost confidentiality.

Thanks for your co-operation.

Yours faithfully,

Okwori Lydia

PART ONE

INSTRUCTION

Please tick (√) in the appropriate response columns in this part.

1. Sex:

Male [ ]

Female [ ]

2. Age:

20 – 30 years [ ]

30 – 40 years [ ]

40 and above [ ]

3. What position are you in your organization?

(a) Manager [ ]

(b) Subordinate [ ]

4. Duration of services in organization

(a) 5 years [ ] (b) 10 years [ ]

(c) 15 years [ ] (d) 20 years [ ]

(e) 30 years [ ] (f) 30 years [ ]

5. Which department of the company do you belong to?

(a) Accounting/Auditing [ ] (b) Administrative [ ]

(c) Production [ ] (d) Marketing [ ]

PART TWO

RESPONSES: SD = strongly Disagree, D = Disagree

A = Agree, SA = Strongly Agree and UD = Undecided

S/N	**QUESTIONS**	**SD**	**D**	**SA**	**A**	**UD**
6	The various ways of presenting financial accounting reporting have effect on managerial decision making of the company.					
7	There are no proper allocation of management resources which often leads to profit maximization objective.					

8	Management recruits trained and professional personnel which lead to quality decision making.					
9.	Management use financial accounting reporting solely for decision making.					
10.	Financial reports influence the investors to buy shares from the company.					
11.	Creditors uses the financial reports provided as a certain to lend to companies.					
12.	Profitability is the end product of the policies and decision taken by your firm.					
13.	Financial reporting help management in formulating future plans.					
14.	Financial accounting reporting provide information about your firm's operating performance during the period.					
15.	A good financial reports discloses correct and accurate information about financial position of the.					

16.	Financial accounting reporting have effect on managerial decision making.					