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CORPORATE DISCLOSURE THROUGH WEB: AN EMPIRICAL STUDY TO EXAMINE THE POTENTIAL BENEFITS OF CORPORATE DISCLOSURE THROUGH WEB

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Abstract *The benefit of corporate disclosure through web in financial decision making includes visual/graphic presentation of information, two-way interaction, increased information accessibility and mass communication. These benefits assist in enhancing corporate accountability to stakeholders by providing new dimensions to disclosure. The present study analyzed the opinions of small investors about corporate disclosure practices on the Internet. On an overall basis, majority of respondents agreed that the information which is generally found in the traditional printed form annual reports be disclosed on corporate websites. Findings of the study suggest that corporate disclosure through web improves the quality of information by reducing information asymmetry between management and investors thus reducing the information advantage of institutional investors and information intermediaries. Corporate web reporting as a substitute of traditional reporting helps in better evaluation of performance and future prospects of a company which provides an adequate information basis for their decision-making process.*

Keywords: *Corporate Disclosure Through Web, Websites, Disclosure*

INTRODUCTION

Corporate disclosure plays an important role in the financial decision making. It assists the investors in the financial management of their resources. The emergence of internet, as a new medium of communication has opened up information exchange on a global scale, offering major opportunities for fast and cheap information transfer (Al-Htaybat, 2011). Now companies' websites have turned out to be an important medium for corporate reporting. Companies have utilized websites to disseminate corporate information to investors all over the world (Abdelsalam, Bryant, & Street, 2007).

Recognizing the potential benefits of web, companies have started the use of web to inform present and potential investors and other stakeholders with regard to company information. Companies are using their World Wide Web home page as a platform to present corporate data. The web offers far more options than print, including plenty of space to add financial pages and even audio/video clips (Koreto, 1997). In this context, companies have the potential to supply a huge amount (breadth) and range (depth) of information (i.e. historical, future-oriented financial and non-financial information), as well as the ability to constantly update the information and thus improve the timeliness of its delivery (Louwers et al. 1998). In addition, web enables companies to reduce printing and distribution costs and the time required to deliver corporate information to users. However, the use of the internet for financial reporting practices is found to be different from one country to another (Fisher, Oyelere, & Laswad, 2003). Any changes in the communication system will give a great impact not only to the company and regulator but also to the accountant. One of the important challenges in producing quality information in corporate website is the regulator's failure to produce standards in the content and presentation area (Seetharaman and Subramaniam, 2006). Seetharaman and Subramaniam (2006) claims that so far there is no specific guidelines and standard set with regards to information dissemination through any professional bodies or government agency websites. However, there is still no mandatory requirement for internet financial reporting. Till date, Internet financial reporting (IFR thereafter) is characterized as being voluntarily without any legislations or standards to control and explain the comprehensive information conveyed.

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LITERATURE REVIEW

Various empirical studies relating to corporate disclosure through web have either reported descriptive statistics or explored a variety of independent variables that might influence the corporate disclosure through web. Unfortunately, only a few studies have analyzed the attitudes and preferences of the users of financial information in relation to corporate disclosure through web.

Quagli and Riva (2005) examined the expert users' behaviour in visiting websites to acquire financial information about listed companies. 101 Italian financial analyst and 15 corporate lenders were investigated through a questionnaire to understand (1) how they used both listed company websites and financial news website (financial portals) and (2) whether their information needs were satisfied using an Internet channel. The study found that both users groups exploited the Internet in a very large way and adopted a similar behaviour in using the websites. Financial news websites played an important role in expert users behaviour, acting as a preliminary information switching point from which professional operators address towards specific listed corporate website. Besides, the study reported more-than-satisfactory judgment expressed by information users about the effectiveness and efficiency of the websites, both listed companies' and financial news' ones, with a praise to the reliability of the news reported by the former, an updating timeliness of the later.

Kelton (2006) investigated the effects of presentation format and the type of information on non-professional investors' judgments. 59 MBA students at a large state university served as participants in the experiment and proxies for non-professional investors. The results of the study indicated that presentation format affected judgment accuracy and decision time. Participants viewing hard-copy information took the greatest decision time and were the most accurate when making judgments of the company's current financial condition. Participants using hyperlinks took the least amount of decision time and were less accurate in their judgments of the company's current financial condition than those viewing hard-copy information. Participants using hard-copy information demonstrated a greater dilution effect than participants using hyperlinks.

Bozcuk, Arzova, and Aslan (2009) investigated the current state of internet financial reporting environment of Turkish firms. They surveyed the top 500 Turkish industrial firms on the "Istanbul Chamber of industry 500 List" to ascertain whether the recent regulatory changes have led to significant changes with respect to their financial reporting on the internet. They found that there is a statistically significant increase in the number of firms providing financial disclosures on the internet from 2003 to 2007.

Htaybat (2011) explored the perceptions of four different user-groups (financial analysts, managers, bank credit officers and auditors) of corporate on-line reporting regarding the potential factors that should be included in the framework for corporate on-line reporting. The results of the study showed that e-infrastructure, culture, awareness, qualified human resources, technological resources, governance and commitment were identified as appropriate factors that should be included in the framework of e-readiness for corporate on-line reporting.

Verma (2012) studied the stakeholder's perceptions about web-based corporate reporting. Study reveals that stakeholders have a positive view about corporate disclosure through web and they consider it as a perfect substitute of traditional reporting. Study suggested that there is growing need for increasing awareness, making web reporting more standardized, mandatory and globally acceptable.

Jain (2013) explored the perceptions of 110 investors in India regarding the effective contents for presenting the financial information on the Internet. Analysis of the results revealed that statements comply with Indian GAAP/US. GAAP and IFRS was ranked to be the most important content item of Internet financial reporting, followed by accounting policies and their description, management's statement of responsibility for financial statements, balance sheet and profit and loss account, quarterly financial results and voluntary reports like environmental and CSR etc.

Khan and Siang (2013) identified the most useful components of Internet financial reporting (IFR) in Malaysia firms from an IFR's user point of view. The study used public investor from online forum in Malaysia. The results of the study indicated that top five components user's reading preference and usage were: (1) annual report, (2) dividend, (3) current share price, (4) balance sheet and (5) historical share price. On the contrary, the features deemed unnecessary in IFR consisted of: (1) audio-visual recording of meeting, (2) multilingual, (3) external links, (4) site map and (5) corporate calendar.

Khan and Omar (2013) analysed the important items in the disclosure of content and presentation dimension that can be used to describe the level of Internet financial reporting (IFR) from auditor's perception. Questionnaires were distributed to 100 auditors. From the survey, it was found that the five important items in the content dimension were income statement of current year, income statement of past years, cash flow statement of current year, notes to financial statements of current year and balance sheet of current year. Meanwhile, in the presentation dimension, five items which important to disclosure were loading time of website below 10 seconds, annual report in PDF format, hyperlinks inside the annual report, ability to download reports and hyperlinks to financial analysts.

Singh, Kishor, and Jain (2014) in his study evaluates the shareholders perceptions on technical aspects and usability of internet reporting by NSE and BSE websites. Comparative study of stock exchange website provides valuable information about the perceptions of shareholders towards importance of real time information in stock markets. NSE website appears to be more efficient in terms of disclosure and technical aspect.

Sharma et al. (2016) examined the extent of Intangible assets disclosure both in annual reports and on websites of top 11 Indian listed companies and also determine the extent of Intangible assets as per the category wise, element wise, sector wise, company wise and size wise. Findings suggest that the most disclosed element of intangible asset disclosure are Copyright, Corporate culture, Brand, Customers, Company's name, Business collaboration, Employee education while the least disclosed element are favourable contract and Franchising agreement.

Summary of the Major Studies Relating to Perception of Investors Towards Corporate Disclosure on Web: A Bird's Eye View

Table 1

Name of the author/s	Year	Objectives	Country	Finding of the study
Debreceny, Gray, and Mock	2001	Perceptions of 169 users (accounting professionals and academics) regarding the identification and ranking of attributes (content and presentation) for web-based financial reporting	Italy	The study revealed that users were satisfied with the content and presentation of information traditionally included in financial reports. In general, the study indicated that financial reporting web sites should primarily present information in text and graphical format.
Xiao, Jones, and Lymer	2002	To evaluated the opinions of experts in accounting and/or the Internet about immediate trends in online reporting	U.K.	Finding of the study was Some viewers were technology driven, whereas other paid more attention to non-technological factors such as resistance to technological change, users' reluctance to read financial reports and the slow reaction of regulators.
Jones and Xiao	2004	To analyze the views of UK experts in accounting and/or the Internet to provide an insight into both immediate and future developments in Internet-based FR	U.K.	The experts provided a set of predictions both for the immediate future of internet reporting and by 2010. Some speculations in the prior literature were confirmed (such as more frequent reporting and the dissemination of more information). However, in some cases the prior speculations were predicted not to occur either in immediate future or by 2010 (e.g., free access to raw data and adoption of multiple measurement bases)
Quagli and Riva	2005	To examine the expert users' behavior in visiting websites to acquire financial information about listed companies that how they used both listed company websites and financial news website (financial portals) and whether their information needs were satisfied using an Internet channel	Italy	The study found that both users groups exploited the Internet in a very large way and adopted a similar behavior in using the websites. Financial news websites played an important role in expert users behavior, acting as a preliminary information switching point from which professional operators address towards specific listed corporate website
Kelton	2006	To investigate the effects of presentation format and the type of information on non-professional investors' judgments	USA	The results of the study indicated that presentation format affected judgment accuracy and decision time. Participants viewing hard-copy information took the greatest decision time and were the most accurate when making judgments of the company's current financial condition. Participants using hyperlinks took the least amount of decision time and were less accurate in their judgments of the company's current financial condition than those viewing hard-copy information.

Name of the author/s	Year	Objectives	Country	Finding of the study
Bozcuk et al.	2009	To investigate the current state of internet financial reporting environment of Turkish firms. They surveyed the top 500 Turkish industrial firms on the "Istanbul Chamber of industry 500 List" to ascertain whether the recent regulatory changes have led to significant changes with respect to their financial reporting on the internet	Turkey	They found that there is a statistically significant increase in the number of firms providing financial disclosures on the internet from 2003 to 2007.
Kelton	2010	To investigated the impact of presentation format and the type of information on judgments of nonprofessional investors	USA	Participants using hyperlinks took the least amount of decision time and were less accurate in their judgments of the company's current financial condition than that viewing hard-copy information
Htaybat	2011	Perceptions of four different user-groups (financial analysts, managers, bank credit officers and auditors) of corporate on-line reporting regarding the potential factors that should be included in the framework for corporate on-line reporting	Malaysia	The results of the study showed that e-infrastructure, culture, awareness, qualified human resources, technological resources, governance and commitment were identified as appropriate factors that should be included in the framework of e-readiness for corporate on-line reporting
Verma	2012	Pperceptions about web-based corporate reporting	India	Study suggested that there is growing need for increasing awareness, making web reporting more standardized, mandatory and globally acceptable.
Jain	2013	Perceptions of investors regarding the effective contents for presenting the financial information on the Internet	India	GAAP and IFRS was ranked to be the most important content item of Internet financial reporting, followed by accounting policies and their description, management's statement of responsibility for financial statements, balance sheet and profit and loss account, quarterly financial results and voluntary reports like environmental and CSR etc.
Khan and Siang	2013	To identified the most useful components of Internet financial reporting (IFR) in Malaysia firms from an IFR's user point of view. The study used public investor from online forum in Malaysia	Malaysia	The results of the study indicated that top five components user's reading preference and usage were: (1) annual report, (2) dividend, (3) current share price, (4) balance sheet and (5) historical share price. On the contrary, the features deemed unnecessary in IFR consisted of: (1) audio-visual recording of meeting, (2) multilingual, (3) external links, (4) site map and (5) corporate calendar
Khan and Omar	2013	To analyse the important items in the disclosure of content and presentation dimension that can be used to describe the level of Internet financial reporting (IFR) from auditor's perception	Malaysia	Finding of the study was five items which was important for disclosure were loading time of website below 10 seconds, annual report in PDF format, hyperlinks inside the annual report, ability to download reports and hyperlinks to financial analysts
Singh	2014	Shareholders perceptions on technical aspects and usability of internet reporting by NSE and BSE websites	India	NSE website appears to be more efficient in terms of disclosure and technical aspect.
Sharma et al. (2016)	2016	To examine the extent of Intangible assets disclosure both in annual reports and on websites of top 11 Indian listed companies	India	Findings suggest that the most disclosed element of intangible asset disclosure are Copyright, Corporate culture, Brand, Customers, Company's name, Business collaboration, Employee education while the least disclosed element are favourable contract and Franchising agreement.

RESEARCH OBJECTIVE AND METHODOLOGY

The main objective of the present study is to study the perceptions of investors about corporate disclosure through web. The universe of the study consists of educated and internet savvy small investors of Chandigarh. Investors are selected on the basis of their internet usage experience. To analyse the perceptions of investors a Questionnaire has been developed and administered on 100 respondents. The

questionnaire contains questions regarding the respondent profile, usability of corporate information on internet and users opinions about future prospects of corporate disclosure through web. All questionnaires were sent personally to respondents of various backgrounds including professionals, academic, self-employed, retiree to get the relevant view point of such people. Respondents are asked to rate each and every question on a five point Likert scale ranging from Strongly agree to strongly disagree. Respondents rated each item on a scale of 1-5 where 1 represent "strongly disagree" and 5 represent "strongly agree". Data about the demographic features of respondents has been collected which includes information about their gender, age, professions and education. Profile of the respondents is shown in Table 2.

Table 2: Profile of the Respondents (In percentage)

Gender		Age		Profession		Education	
Male	66	Up to 30	41	Professional	26	Undergraduate	5
Female	34	31-45	43	Academic	46	Graduate	25
		46-60	11	Self Employed	21	Master's Degree	37
		>60	05	Retiree	7	Professional Degree	33
100		100		100		100	

The Table 2 shows that vast majority i.e. 66% of the respondents are male and only 34% of the sample are females with 41percent of the respondents from the age group of up to 30 years, 43percent from 31-45 years, 11% from the age group of 46-60 years and only 5% were from the age group of above 60. Around 26% of the respondents were professional, 46% were academicians, 21% were self-employed and 7% are retirees. The sample comprises respondents 37% of master's degree, 33% of professional degree, 25 % of graduates and 5 % of undergraduates Thus, the sample is widely distributed and representative in terms of gender, age, education and profession.

Tools and Techniques of Data Analysis

Application of Factor Analysis

In order to sharpen the understanding of the structure of potential benefits of corporate disclosure through web, Factor Analysis Technique has been applied. Twenty-seven statements, which were measured on a five point Likert scale for 100 responses describing probable benefits of corporate disclosure through web, have been factor analyzed. The process was meant to summarize the different statements into fewer but more understandable factors. Before applying factor analysis, reliability of the scale of all 27 statements has been checked. The Cronbach's Alpha for all 27 statements is 0.857. This shows overall reliability of scale is very good which more than threshold level of 0.60 is.

Suitability of Data for Factor Analysis

In order to test the suitability of the data for factor analysis, the KMO (Kaiser-MeyerOlkin) and Bartlett's test has been done. The values are shown in table 3 which is as follows:

Table 3: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.726
Bartlett' Test of Sphericity	Approx. Chi-Square	1075.92
	Df	351
	Sig.	.000

Table 3 shows that Kaiser-Meyer-Olkin (KMO) Measure of Sampling Adequacy for individual variable is found to be sufficiently high for all the statements. Overall Measure of Sampling Adequacy (MSA) was found to be 0.726 which indicated that the sample was good for factor analysis. Bartlett's Test of Sphericity is the statistical test applied in our study for verifying the appropriateness. In the present study, the value of χ^2= 1075.23 is highly significant (P<0.001), indicating that the correlation is not an identity matrix, so data is appropriate for factor analysis. Hence, these values revealed that the data is fit for factor analysis.

ANALYSIS AND INTERPRETATIONS OF RESULTS

Exploratory factor analysis has been used to analyses the responses given by the respondents. The Principal component analysis has extracted seven factors with Eigen values >1. Rotation is ordinarily used after extraction to maximize high correlation and minimize low ones. The purpose of rotation is to find simple and more easily interpretable factors while keeping the number of factors and communalities of each variable fixed. Rotation methods are distinguished between those that restrict the factors to be uncorrelated and those that do not. The former is known as Orthogonal (varimax) Rotation Methods, the latter as Oblique (Promax). In the

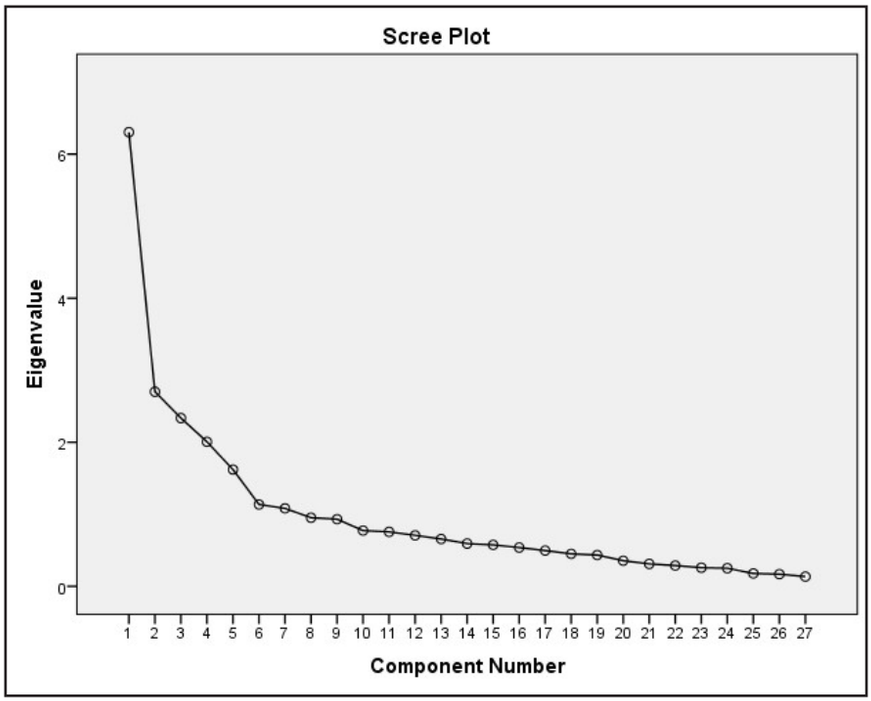
present study, Orthogonal Rotation with varimax rotation was run. Orthogonal solutions offer ease of description and interpretation of results. The factor loading of the rotated matrix represents the coefficient of correlation between variables and its factors .the factor loading below 0.45 have been left. Table 4 shows varimax rotated factor matrix for all statements.

Table 4: Rotated Factor Matrix

Label	Factors							Communalities Extraction($h^{2)}$
	1	2	3	4	5	6	7	
X1	.189	**.764**	.074	.031	.203	.188	-.083	.709
X2	.120	.170	-.113	-.164	.226	**.740**	-.026	.682
X3	.340	**.651**	.203	.073	.235	-.013	-.064	.646
X4	.308	.003	.382	.011	**.535**	.286	.055	.611
X5	.041	.255	.163	.026	**.487**	.230	.053	.387
X6	.155	-.081	.194	**.721**	.215	-.124	.069	.654
X7	.072	-.667	.333	.078	.213	.050	-.062	.619
X8	.249	-.077	**.665**	.067	.260	-.027	-.128	.599
X9	-.080	.175	-.009	.295	**.739**	.105	.053	.684
X10	.211	**.635**	.525	-.045	.099	.212	-.070	.784
X11	.361	.118	**.718**	.125	.059	-.112	.215	.737
X12	-.189	.011	**.697**	.070	.021	.157	-.009	.551
X13	.146	.090	.048	**.797**	-.065	.121	-.032	.687
X14	.132	-.122	.190	.416	.190	**.644**	.131	.710
X15	-.118	.428	.119	.062	.100	**.600**	.178	.616
X16	-.036	-.259	.097	-.253	**.552**	.174	.458	.687
X17	.084	.032	-.157	.307	.294	.122	**.672**	.680
X18	.125	-.017	.046	-.063	-.046	.092	**.797**	.668
X19	.285	-.093	-.001	.414	.065	**.457**	.279	.552
X20	**.560**	-.262	.060	.326	-.025	.346	.241	.671
X21	**.757**	.081	.161	.081	.149	.053	.216	.684
X22	**.716**	.246	.273	.044	-.122	.071	.156	.694
X23	**.702**	.211	-.122	.265	-.088	.112	-.115	.655
X24	**.556**	.140	.069	.395	.154	.223	-.221	.611
X25	.422	-.364	.015	-.023	.374	.032	-.010	.452
X26	**.555**	-.032	.141	-.020	.333	-.138	.378	.603
X27	.502	.137	**.512**	.091	-.056	-.094	-.018	.553
Eigen values	6.305	2.701	2.336	2.006	1.621	1.136	1.082	
% of variance	23.350	10.005	8.651	7.429	6.005	4.207	4.007	
cumulative %	23.350	33.356	42.006	49.435	55.440	59.647	63.654	

Table 4 show seven factors which explained 63.654 % of cumulative variance. The last column in the Table shows the communalities (h^2). The h^2 represents the proportion of variance that a variable shares with other variables. It is also known as common factor variance in a variable. The value of communalities (h^2) ranges from .784 to .387 for different variables. Eigen values for factors I to VII are 6.305, 2.701, 2.336, 2.006, 1.621, 1.136, and 1.082. Eigen value represents the total variance accounted by a factor. It equals to the sum of squared factor loadings on a factor. The factor with a largest Eigen value explains the higher variance and so on, down to the factors with small Eigen values. The total amount of variance extracted as shown in Table is 63.654%. Here 23.35% of the variance is explained by factor I, 10.005 % by factor II, 8.651% by factor III, 7.429% by factor IV, and 6.005% by factor V, 4.207% by factor VI and 4.007% by factor VII.

Determination of Number of Factors Using Scree Plot



A scree plot shows the eigenvalues on the y-axis and the number of factors on the x-axis. It always displays a downward curve. The point where the slope of the curve is clearly leveling off (the "elbow) indicates the number of factors that should be generated by the analysis. A factor analysis is conducted on 27 statements of potential benefits of corporate disclosure through web. This scree plot shows that 7 of those factors explain most of the variability because the line starts to straighten after factor 7. The remaining factors explain a very small proportion of the variability and are likely unimportant.

Reliability of factors has been assessed using Cronbach's Alpha to examine that the items for each of the factors were internally related. Reliability statistics for each factor has been shown in Table 4.

Table 5: Reliability Statistics

Factors	No. Of. Items	Cronbach's Alpha
Factor 1	6	.809
Factor 2	3	.798
Factor 3	4	.711
Factor 4	2	.572
Factor 5	4	.624
Factor 6	4	.654
Factor 7	2	.508

Naming of the Factors

All the seven factors extracted have been given names on the basis of various variables included in each case. The name of factors, percentage of variance explained, statement label and their respective factor loadings have been summarized in Table 6.

Table 6: Resultant Factors

Label (X)	Factor Names (Percentage of variance explained)	Factor Loading
F1	Improvement In Quality Of Information (23.35)	
X21	It helps in the valuation of corporate securities by providing real time information.	0.757
X22	It helps in assessing the nature of entity's databases by users	0.716
X23	It has the ability to communicate with previously unidentified users of information	0.702
X20	It provides inexpensive information to users	0.560
X24	It increases management credibility	0.556
X26	It improves equality of information access	0.555
F2	Better Decision Making (10.005)	
X1	It is considered to be the best medium for foreign investors to collect all publicly available information	0.764

Label (X)	Factor Names (Percentage of variance explained)	Factor Loading
X3	It provides up-to-date information	0.651
X10	It is helpful for making comparisons overtime	0.635
F3	Increased Usefulness Of Information (8.651)	
X11	It has the ability to present the information using accounting conventions, formats or currencies from other countries	0.718
X12	It will improve governance	0.697
X8	It reduces share volatility	0.665
X27	It will make the job of financial analyst's easier	0.512
F4	Helps In Evolution (7.429)	
X13	It helps in assessing sectoral performance	0.797
X6	It allows users more easily to relate financial information to non-financial information	0.721
F5	Future Prospects (6.005)	
X9	It provides future oriented financial information	0.739
X16	It will be used by companies to meet the challenges of business globalization	0.552
X4	It is the best way for private and foreign shareholders to exercise their voting rights.	0.535
X5	It lowers the barriers for financial statement users	0.487
F6	Substitute of Traditional Reporting (4.207)	
X2	It promotes transparency	0.740
X14	It increases the usefulness of financial and business information by the way of link of investor relation section to other websites.	0.644
X15	It facilitates interaction and allows feedback	0.600
X19	It makes the information attractive	0.457
F7	Adequacy of information (4.007)	
X18	It makes investment decision-making process easier and fastest	0.797
X17	It improves the access to new capital	0.672

Interpretation of Factors

The structure of all these seven factors has been individually taken up for discussion:

F_1: Improvement in Quality of Information

The rotated factor matrix has revealed this factor as the most important factor with the highest Eigen value of 6.305. In total 6 statements have been loaded on this factor and are arranged according to their loading values. All the statements loaded on this factor show that corporate disclosure through web improves the quality of information by lowering barriers to information access thus reducing the information advantage of institutional investors and information intermediaries. It is an effective way to communicate with previously unidentified users of information. The enterprise can enhance corporate transparency through the use of web, resulting in faster, accurate, and timely disclosure. Web increases the credibility of management by making it possible for the users to download the raw data and then use it for further analysis. This raises the possibility of user-specific reports (customized reports). It assists the investors in selecting best portfolio by providing detailed (financial and non-financial), inexpensive and timely information. With the help of web, private and foreign shareholders can collect all publicly available information. It also helps the foreign shareholders to have access to information and exercise their voting rights by the way of web conferencing.

F_2: Better Decision-Making

The second important factor that has emerged from the analysis with Eigen value 2.701 is better decision making. Three statements have been loaded on this factor and are arranged according to their loading values. This factor shows that Web disclosure helps in better decision making. It is helpful in making comparison over-time by providing up-to-date and future oriented financial information. Web lowers the barriers for financial statement users (foreign investors) by providing financial statements in multiple languages, multiple GAAPs and by making available the recorded speeches in different languages or displaying a video portrait of the firm. In this way it also makes the information attractive. Web is not restricted to text and still graphics, but allows the use of moving graphs and audio that makes the job of financial analysts easier. It is a two way communication tool unlike paper document. It facilitates interaction and allows feedback by way of e-mail, e-mail alerts, mailing list, on-line investor information order services and FAQ.

F_3: Increased Usefulness of Information

The rotated matrix has revealed this factor as the third important factor with the Eigen value of 2.336. In total, four statements have been loaded on this factor. The statements loaded on this factor show the increased usefulness of information disclosure through Web. It is useful for both investors and company. For investors, it reduces share volatility by disclosing accurate, up-to-date, inexpensive, detailed and timely information. Companies that have an Internet presence in the form of company home page and prepare financial information according to other-internationally accepted-accounting standards or regulation, e.g. IAS or US-GAAP, can be expected to present this information on their Web site. Investors may access information that might be better understandable and possibly more comparable to other corporations, and

are thus supported when making investment decisions. For companies, web disclosure improves governance and access to new capital.

F_4: Helps in Evaluation

The fourth important factor of perception of the investors regarding potential benefits of Web disclosure is 'helps in evaluation' with the Eigen value of 2.006. In total two statements have been loaded on this factor. All statements loaded on this factor help in assessing the nature of entity's business and products by providing information regarding name of products, market share of major products, major customers and customer redressal center. In this way it also attracts potential customers. Due to enormous amount of storage capacity at a very low cost, Web provides financial as well as non-financial information to the users and users can easily relate financial information to non-financial information.

F_5: Future Prospects

The fifth important factor of perception of the investors regarding potential benefits of Web disclosure is 'Future Prospects' with the Eigen value of 1.621. In total five statements have been loaded on this factor. The stakeholders' perception with respect to the future of web-based corporate reporting practices of Indian companies highlights that in future web sites of companies would allow more active involvement of users of information. The stakeholders have a positive view about future of web reporting and believe that it is the future reporting practice in the corporate sector in the world.

F_6: Substitute of Traditional Reporting

The sixth important factor of perception of the investors regarding potential benefits of Web disclosure is 'Substitute of Traditional Reporting 'with the Eigen value of 1.136. Four statements have been loaded on this factor. It suggests that web reporting has enough potential to replace traditional print-based reporting system. But still its access is not easy for those users who do not have knowledge of internet and for the small investors who lack resources to access this medium.

F_7: Adequacy of Information

The seventh important factor of perception of the investors regarding potential benefits of Web disclosure is 'Adequacy of information 'with the Eigen value of 1.082. The stakeholders believe that information provided on the company web site is not adequate. It should be dynamic and updated frequently but it is found that no permanent records of archive information are maintained which is another drawback of web reporting.

FINDINGS OF THE STUDY

The findings of this study have been summarized as follows:

- The benefits, both to the companies and the users of financial information, are perceived to be greater than the costs of adopting the internet as another means of disclosing and distributing corporate financial information.
- Regarding the usefulness of the range of features of web based reporting intended to increase the value of information provided by increasing its usability, it is found that majority of respondents strongly agree that corporate disclosure through has been more useful than traditional form of printed annual reports.
- As far as the desirability of disclosing the selective information is concerned, majority of respondents agreed that the information which is generally found in the traditional printed form annual reports be disclosed on corporate websites. Companies need to supply more information on their websites for decision making and evaluation purposes for the users of that information.
- On regulatory aspects, respondents perceived some form of global regulation to ensure creditability of financial information disclosed on corporate website but they also agreed on the issue of difficulties in the enforcement of these regulations.
- It implies that web is perceived to be not only as a medium of communication, but also a source of quality information. Qualitative characteristics of web disclosure are: equal access, transparency, inexpensive information, non-financial information, external hyper linking, timely information, ability to communicate with unidentified users, direct access to company's data base, easier and faster decision making process etc. This study has also revealed the other important potential benefits of corporate web disclosure are better decision making, increased usefulness of information, helps in evaluation and enhanced competition.
- The enterprise can enhance corporate transparency through the use of web, resulting in faster, accurate, and timely disclosure. Web increases the credibility of management by making it possible for the users to download the raw data and then use it for further analysis. This raises the possibility of user-specific reports (customized reports). It assists the investors in selecting best portfolio by providing detailed (financial and non-financial), inexpensive and timely information.
- Companies that have an Internet presence in the form of company home page and prepare financial information according to other-internationally accepted-accounting

standards or regulation, e.g. IAS or US-GAAP, can be expected to present this information on their Web site. Investors may access information that might be better understandable and possibly more comparable to other corporations, and are thus supported when making investment decisions.

IMPLICATIONS OF THE STUDY

One of the most obvious implications of the use of World Wide Web for financial reporting purpose is the fact that Web is a global vehicle of information dissemination. Current practices show that neither the amount of data supplied nor presentation modes of digital annual reports are standardized. Different companies have different policies and practices on the use of the web for financial disclosure purposes. It raises the question of whether corporate disclosure through web needs to be regulated if it is to be useful for users. It seems logical, therefore, that there is need for one global standard for the exchange of financial and related information. Sometimes accessing large amounts of information in unstructured format leads to information overload. The volume of information can overwhelm users and prevent them from finding the required information. Moreover Companies are facing risk of losing their competitive advantage and privacy if they disclose too much information. Study predicted that companies will use the Internet to meet the challenges of business globalization by preparing and disseminating the financial statements in global reporting language.

LIMITATIONS AND SUGGESTIONS OF FURTHER RESEARCH

The study has two specific limitations, in addition to those inherent in the questionnaire method of investigation. First, the study is limited to Indian investors. Since the web is a global vehicle of information dissemination, domestic investors' views might not be fully representative. Further research is required to investigate this issue. Second, the study highlights the views of single group of users of financial information such as investors. Thus, the opinions expressed might not be representative of other groups like preparers of accounting information. This however, represents an opportunity for further research where by the views of the preparers and users of information about corporate web reporting are sought.

CONCLUSION

In conclusion we can say that Internet financial reporting has become a popular mode of reporting. Currently, very few formal guidelines exist in the area of corporate disclosure through web. In future, if a company wishes to communicate with a global audience, the global standard will have to be adhered to and report using global reporting language. At present there is a lack of international and national standards regarding presentation format, minimum content disclosure and multimedia technology. This creates a problem of comparability, online analysis and misleading information. Although internet financial reporting is helpful for various categories of stakeholders including investors, employees, management, financial analysts, professionals, regulators and society. But still its access is not easy for those users who do not have knowledge of internet and for the small investors who lack resources to access this medium. Moreover to make internet financial reporting a perfect substitute of traditional annual reports, there is a growing need for increasing awareness among people to access company information on Internet. Internet financial reporting is at developing stage. So there is a need to make it more standardised, reliable, legally and globally acceptable.

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