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Article

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THE ADEQUACY OF ACCOUNTING MANDATORY DISCLOSURE UNDER THE GLOBAL FINANCIAL CRISIS. A FIELD STUDY IN JORDAN

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ABSTRACT

*This research attempts to explore accounting academics and investors' perception on the adequacy of the quality and quantity of disclosed information by Jordanian public shareholding companies listed on the Amman Stock Exchange (ASE). Jordanian Securities Depository Center (JSDC) requires the public companies to follow IAS/IFRS to prepare their financial statements and its discloser requirements. To achieve the abovementioned objectives, a questionnaire was developed and distributed to a sample of accounting academics in the Jordanian universities and investors in the (ASE). 180 questionnaires were distributed, ultimately 125 valid- questionnaires were received from both groups. This paper used means, standard deviation, ANOVA, and *t* test to describe the respondents' perception on this research questions. The results revealed that there is an agreement among respondents regarding the adequacy of quality of disclosure in the financial reporting of Jordanian public shareholding companies under the circumstances of the global financial crisis. Furthermore, the results showed that the investors perceived the quantity of accounting disclosure as inadequate surrounding circumstances of the global financial crisis. On the other hand, accounting academics perceived the quantity of disclosed information as sufficient. This study recommends that there is a need to consider quantities of disclosed information to meet the requirements of investors.*



Accounting discloser, quality of accounting, disclosers adequacy, global financial crisis

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INTRODUCTION

The international financial crises emerged in the USA during 2007- 2008 and later expanded to the other world countries, made the investors distrustful in the global and local economies. Thus, the role of accounting bodies such as IAS/IFRS and FASB is to regain the investors trust. This can be done by obligating public companies to disclose important and sufficient information that help financial statements' users in their decisions making.

Currently, there is a global tendency to adopt IFRS as standard setters. For example, there is a joint project between FASB and IAS to unify the standards under IFRS and apply these standards in the USA and other countries that follow IAS/IFRS at the same time to avoid differences among standers requirements. Jordan is following IAS/IFRS standards since 1997, when Amman Financial Market Joined the International Organization of Securities Commissions (IOSCO) which require members to follow IAS/IFRS.

Jordanian economy has been affected by global financial crises directly and indirectly. The crisis effect was easily noticed with a negative impact on the economy as a result of external and internal negative economic factors, with a decline in the financial and real estate markets in Jordan. This was consistent with official data declaring that the volume of trading in the real estate market in Jordan has declined during the first two months of 2009 by (34%) to 577 million Jordanian Dinars against 879 million Jordanian Dinars during the same period in 2008 (Alrai, 2009). The effect of the financial crises in Jordan was different from other countries due to open and free market economy policies, and also because of the dependence on foreign aids to finance the budget deficit. So the impact of this crisis is more severe for emerging markets particularly the financial sectors and stock market. The share prices had started to decline during the last quarter of 2008 and (- 17%) continued to decline in 2009 (- 11.6%), followed by decreasing in GDP growth rate and an increase in the budget deficit in Jordan which led government expanding borrowing as well as a decline in remittances from Jordanians residence abroad. Also a significant decline in export volumes Potash, Fertilizer, Cloths, Pharmaceutical products and Vegetables, furthermore, adversely affected the Jordanian industrial sector because of its reliance on imported petroleum products which have experienced a successive rise during and after the Crisis (Ministry of Finance, 2010).

Mehyaoui (2010) highlighted the impact of the financial crises on stock prices in Jordan. The study has shown a potential for extraordinary returns in Amman Stock Exchange (ASE) during the crisis which caused a panic amongst investors resulted in a wave of sell-offs, notwithstanding a series of actions taken by Central Bank of Jordan in order to maintain a stability of the Jordanian currency. Nonetheless, the Securities Exchange Commission (SEC) should have taken precaution steps in

order to maintain the small investors in the stock market and introduce a set of regulations and procedures related to the disclosure requirements in financial reporting to ensure providing the necessary information to small investors and enhance their ability to make a rational financial and investment decisions.

Due to the impact of the global financial crisis in Jordan, analytical descriptive approach used to investigate whether the required accounting disclosure contained in the periodic financial reports are sufficient in quantity and quality, and whether disclosed information will enable investors to make the sound decisions.

1. PROBLEM STATEMENT

This study is motivated by the absence of empirical evidence on the adequacy of quality and quantity of disclosed information in financial reporting in Jordan. Hence, the Jordanian economy is still suffering from the consequences of the global financial crises.

Studying the adequacy of current accounting disclosure policies may be important to motivate professional and government committees to reconsider their accounting disclosure applications to provoke investors to reinvest in stock markets. The researchers try to combine the different academic perspectives, such as university academics, theorist and scholars in accounting and investors as beneficiaries and users for this information in light of the current financial crisis. Although the study provides a contribution to the academic research especially in Jordan due to the lack of relative studies regarding the effects of global financial crisis on accounting disclosure, and presents some information for the regulators of accounting profession in Jordan. These information are helpful to reform and develop the structure of disclosure in financial reports and to follow up decision maker needs, worthwhile it is the first applied study which examines the relevance of the global financial crisis with accounting disclosure requirements in Jordan.

Nonetheless, there were no trends among financial securities authorities to demand listed companies in (ASE) for more disclosure enabling investors to make a comparison between the management of different companies and to assess their organizational performances during the global financial crisis. Does this mean that the current accounting disclosures are adequate? Accordingly the problem of the study may be stated in the following questions:

- 1.1 *Is the quantity of current accounting disclosure (represented in the form of financial reports by the Jordanian companies) adequate under the present international financial crisis?*
- 1.2 *Is the quality of current accounting disclosure (represented in the form of financial reports by the Jordanian companies) adequate under the international financial crisis?*

2. OBJECTIVES OF THE STUDY

This study aims to identify the needs for improving the mandatory accounting disclosure, either the one issued by the Jordanian Securities Depositary Center (JSDC) or the one issued based on the international accounting standards and financial reports preparation. The objectives of the study may be summarized in the following:

- 2.1 Identifying the adequacy of current accounting disclosure quantity provided in periodical financial reports issued by Jordanian listed companies in order to serve investors and decision makers' purposes, in light of the current financial crisis.*
- 2.2 Identifying users' level of satisfaction concerning the nature and quality of the disclosed financial information in the financial reports issued by Jordanian listed companies and their adequacy for the decision making process.*

3. PREVIOUS LITERATURE

Following the recent financial crisis, studies were conducted for a thorough understanding to define the aspects, characteristics, and dimensions of Global Financial Crisis (GFC). For example, Al-Mananseer & Al Kassasbeh (2009) explored the reasons and the roots of the international financial crisis, early emergence, stages and causes, identifying its effects on the international economy in general, and the Jordanian economy in particular. Their most important results were that the international financial crisis emerged as a result of accumulated errors in the financial policies and the bases of the capitalist financial systems applied by the United States of America. Irresponsible debt policies targeting both individuals and organizations led to major gaps in the assets and financial products markets. The authors recommended more firmness towards all stakeholders responsible of the emergence of the international financial crisis and more attention and supervision towards the stock markets. Al-Emam (2009) studied the relationship between institutional investment via the creation of a cognitive construct linking all aspects of the financial crisis with the institutional investment in the stock markets, analyzed the mechanisms for avoiding financial crisis by focusing on institutional investors by the role they play. Results of the study revealed that the international financial crisis emerges as results of the complicated and unique financial structures found in the different institutions. Hellwing (2009) analyzed the causes of the international financial crisis by examining the role of mortgage in the specifications of real estate investment risks and how the United States of America failed in fulfilling this role.

A second aim of the study was to investigate the devastating dangers resulting from the financial crisis due to its negative effects and the pressures put on the prices of

securities. Hellwing's study referred to all the negative effects of the modifications occurring in the financial system and its deficiencies, which led to disabling the market interactions, leading to deficiencies in the role of fair value and the role of capital in the financial institutions. The study concluded that the cause of such deficiencies is a result of bad decisions and of the problems of the financial system inefficiency; all of this needs organizational reforms, effective supervision and absolute transparency.

However, many studies focus on the global financial crisis and accounting profession, such as a study by Saloum & Nouri (2009). This study emphasized the urgent need for unified applicable international accounting standards in different countries to help investors make the most effective decisions in light of the international financial crisis and the role of the international accounting standards in the emergence of the international financial crisis. A significant result was that there were no relationships between the emergence of the global financial crisis and the applicable accounting standards. Al-Baseeri (2009) examined the role of auditors in light of the international financial crisis to identify their internal and external role in the economic facilities and the quality of information provided in financial lists. His study revealed that there was no commitment by auditors towards the need for financial reporting, which in turn contributed in the overcoming of the financial international crisis, and there were gaps in the work of auditing offices, and some problems relating to their independency which contributed to the emergence of the international financial crisis. The researcher recommended unifying the international accounting standards and developing them to control the work of auditors and ensuring their independency.

Bhimani (2008) highlighted the need for reformulation of accounting in the United States as a result of the financial crisis encountered and in light of the changes in the American markets and the trends of several companies to abandon the American markets and change their activities overseas. There were increasing demands to abandon the American accounting standards and return to the international accounting principles. On the other hand, the study reviewed the attractiveness of the international accounting principles and the agreement of the different countries worldwide upon them, including the United States of America, particularly during instability periods in the preparation of financial reports (2001-2002). The study concluded with the need for reconsidering the adoption of the international accounting standards as they lead to reducing the effects of the international financial high risks, and it is a response to the American market demands.

Baba (2011) also indicated that a good financial reflections available in financial reporting characterized by transparency as much as the ability of the accounting professional to put to good use the financial accounting information delivered in optimal time help managers to surpass the economic crisis, furthermore attract

investors. Presentation of Fair Value at financial statements was mentioned by Linsmeier (2011). Focused on measuring financial instruments at Fair Value in the financial statements after the financial crises in light of (FASB) (2010) proposes regarding the measurements of financial instruments at fair value in the financial statements. The study suggests that in order to prevent future financial crises, timely actions should be taken by accounting standard setters help investors and regulators with full fair value reporting for financial instruments to prevent bank failures due to the recent financial crises. In contrast Pinnuck (2012) examines the performance of financial reporting in the Global Financial Crisis (GFC), his study concluded that there is no empirical evidence that fair-value accounting (FVA) during the GFC added to the severity of the crisis.

Other studies have been conducted on financial statements presentation and the relevance effectiveness of accounting disclosures to investment decision makers. Al- Hubail's (2003) study investigated the adequacy and suitability of disclosure instructions issued by the Jordanian Securities committee in 1998. The most significant result of the study was the inadequacy of disclosure instructions to serve as means for helping investors in Amman Stock Market make their investments' decision. It was also found that Jordanian listed companies showed high commitment levels for the disclosure instructions.

Abu-Nassar and Al-Thunaibat (2005) verified the importance of the disclosure instructions issued by Jordanian Securities Committee in 1998, especially those relating to listed companies in Amman Stock Market from external auditors, financial statements developers and investors perspectives. They investigate the adequacy of such instructions and their contributions in improving investment decision making process. The study revealed a consensus between the subjects of the study concerning the importance of disclosure requirements in the preparation of financial reports and decision making process. Abu-Nassar and Rutherford (2000) examined the opinions of individual investors, institutions, lenders, academics, and financial statement preparers in Jordan in order to define the most important information to be declared in the financial reports needed by financial statement users. Conclusions of the study pointed out a decline in the level of disclosure in financial reports, so much so that they did not meet the basic requirements of users. Al-Hawawi (2003) focused on the defects in financial statements prepared using the historical cost in terms of fair presentation of the actual financial position reflected in the financial statements. The study concluded that investors have insufficient details to take any investment decision without having appropriate accounting information to make the sound decisions. Zayoud *et al.* (2007) Identify the extent of traders' awareness of financial markets, the study highlighted on the importance of accounting data and identify factors that may affect the efficiency of the stock market. The study showed that more disclosure in the financial reports increased effectiveness and rationalized decisions and become more convenient to serve the goals of investors. As well as Afeef (2010) aimed to

measure the effects of accounting information quality contained in financial statements. He concluded that the quality of accounting information may be affected by the conditions of the economy particularly in economic disturbances.

Iatridis (2011) examined the relationship between financial reporting quality and the timely disclosure of losses and difficult-to-verify accounting items and focus on conditional and unconditional conservatism. The study results showed those companies' high quality accounting disclosures generally exhibit higher size, profitability and liquidity measures. The author concluded that the conditional form of conservatism is negatively related to unconditional conservatism, as the former tends to enhance contracting efficiency. The study provides evidence of asymmetric disclosure of losses for firms with high leverage, too. The same holds for high quality disclosures that display bad news. In contrast, firms that are in a growth phase are found to provide less conservative and less difficult-to-verify accounting information in order to influence their growth prospects. Sutthachai and Cooke (2009) evaluated the effectiveness of the financial crisis on the disclosure levels, financial reporting and accounting measurement. The study used the case study approach for examining the financial crisis of Thailand (1997). The study focused on Thai firms listed in the stock market between 1993 and 2002. The study focused on disclosure levels in each of these firms on three separate periods: 1993-1996, before the financial crisis, 1996-1998, during the financial crisis, and 1998-2002, after the financial crisis. The study concluded that disclosure levels increased, while accounting measurement did not change. The study recommended the use of the results reported in the study as the help in facing the following financial crisis.

Mitton (2002) indicated that there are evidence that firms with more disclosures perform better than other firms during economic disturbance and crisis period. Ryan (2008) outlined the impacts of subprime crisis in United States on (FASB) requirements, particularly FAS. No 157 and FAS. No 159 fair value definition, measurement guidance and option. The study pointed out that the subprime crisis is the fault of human factors such as lenders, borrowers and investors or economic policies and regulations. The study concluded that there is necessity and a call for additional guidance and better disclosures needed for preparing financial statements and preparers need to provide these disclosures in an informative fashion. Eaton (2005) examines the interplay between (IASB) and American accounting authorities, US regulators and private-sector accounting institutions, especially after Enron and other corporate scandals in US. The study mentioned the major legislative response to the scandals which was Sarbanes-Oxley Act enacted in July 2002. The Act mandated that the SEC deliver a study commissioned on the question of how off balance-sheet transactions should be fairly reported. Loundi (2002) indicated that the International Accounting Standard 39, adopted by the commercial banks in Jordan was a necessary step led to improve and upgrade the quality of accounting reporting and information. Roberts *et al.* (2002) concluded

that presenting and disclosing information is substantial for users of financial statements and decision makers in order to provide them with significant vision and necessary information in making their decisions. Haji *et al.* (2012) examines voluntary disclosure in the annual reports of Malaysian companies. The study attempt to determine whether financial crisis had some impact on corporate voluntary disclosure, researcher concluded that companies utilize their annual report voluntary disclosures as a means of influencing society's perception of their operations, and as a means of legitimizing their existence.

Arabi (2010) concludes that accounting applications requires coordinated action at the international level to rebuild financial multilateralism, foster the stability and equity of the global financial system, promote stronger transparency or disclosure standards.

4. HYPOTHESES

Studies conducted by Abu-Nassar and Al-Thneabat (2005) and Zayoud *et. al.*, (2007) emphasized on the importance of disclosure of accounting information and its role to rationalize investors decisions. In addition Afeef (2010) indicated that the need of accounting information may vary depending on investors' purposes or circumstances facing the Jordanian economy, since the financial crisis represents one of these effects. The hypotheses of the study may be summarized using the null hypothesis as follows:

H01: There are no significant differences among respondents' perceptions towards the quality of the current mandatory accounting disclosure in financial reports.

To identify the compatibility among academics and investors refers to their opinions and evaluations regarding the information quality disclosed in terms of understandability, timeliness, predictive value, neutrally, representational faithfulness, relevance and reliability.

H02: There are no significant differences among respondents' perceptions concerning the quantity of the current mandatory accounting disclosure in financial reports.

To examine the degree of agreement among the study sample members the information quantity disclosed in financial reports, whether financial reports should provide more significant items and extra necessary information.

The above hypotheses were formulated to reflect the respondents' compatibility about the adequacy of the quantity and quality of information disclosed in financial reports. The perspective of each category of the respondents will be measured independently within the study hypotheses test.

5. METHODOLOGY

To achieve the objectives of the study, we tested the hypotheses of the study. The researchers selected the analytical descriptive approach, reviewing previous related studies to the topic addressed in the current study. This study also used a field study approach, which is based on collecting field data from a group of specialists in the accounting field in different Jordanian universities, and a group of investors in the Jordanian stock market. To achieve this objective, the questionnaire was designed and distributed to the sample of the study.

For data collected analysis, the researchers used SPSS to test the credibility of the measurement tools used in the current study to collect data. We calculated the value of Cronbach's- Alpha, which achieved confidence level of 90%.

6. THE POPULATION AND SAMPLE

The population of the study consisted of two groups of respondents. A sample of the study was selected using random sampling procedures, consisting of 90 respondents from each category, with total number of 180 respondents.

Table 1 illustrates the results of administration of the questionnaire on respondents and the responses returned from respondents. The table illustrates that the total distributed questionnaires were 180 while the returned ones were 125 valid questionnaires for data analysis. 74 of these were from academics and faculty members, while 51 questionnaires were from investors (see Table 1).

Table 1. Description of the sample (distributed and collected questionnaires)

Item	Academics		Investors		Total	
	Frequency	Relative Frequency	Frequency	Relative Frequency	Frequency	Relative Frequency
Specified and Returned Questionnaires	74	82.2	51	56.7	125	69.5
Incomplete questionnaires	0.00	0.00	11	12.2	11	6
Non- Returned questionnaires	16	17.8	28	31.1	44	24.5
Total	90	100	90	100	180	100

7. STATISTICAL ANALYSIS AND TESTING HYPOTYESIS

7.1 Characteristics of study sample:

Tables 2, 3, 4 and 5 present a description of the study sample in the form of percentages and frequencies:

7.1.1 The distribution of the study sample in terms of age

Table 2 illustrates that the '32-41 years old' category represented 47.2% of the total sample, while the youngest age group was 'Less than 22', represented 2.4% of the total sample.

Table 2. Characteristics of study sample

Item	Academics		Investors		Total	
	Frequency	Relative Frequency	Frequency	Relative Frequency	Frequency	Relative Frequency
Less than 22 years	0.00	0.00	3	5.9	3	2.4
22-31 years	13	17.5	17	33.3	30	24
32-41 years	34	46	25	49	59	47.2
42- 51 years	21	28.5	6	11.8	27	21.6
More than 51 years	6	8	0.00	0.00	6	4.8
Total	74	100	51	100	125	100

7.1.2 The distribution of the study sample in terms of experience

Table 3 illustrates that most of the respondents (more than 11 years of experience category), represented 29.6% of the total sample, the respondents with less than 1 year of experience represented 10.4% of the total sample.

Table 3. The study sample in terms of experience

Item	Academics		Investors		Total	
	Frequency	Relative Frequency	Frequency	Relative Frequency	Frequency	Relative Frequency
Less than (1) year	8	10.8	5	9.9	13	10.4
1-3 years	12	16.2	11	21.5	23	18.4
4-7 years	19	25.7	12	23.6	31	24.8
8-11 years	6	8.1	15	29.4	21	16.8
More than 11 years	29	39.2	8	15.6	37	29.6
Total	74	100	51	100	125	100

7.1.3 The distribution of the sample of the study in terms of educational level

Table 4 illustrates that most of the respondents fell in the PhD holders category, representing 51.2% of the total sample, while the least respondents fell in the (less than Bachelor) category, representing 6.4% of the total sample.

Table 4. The study sample in terms of educational level

Item	Academics		Investors		Total	
	Frequency	Relative Frequency	Frequency	Relative Frequency	Frequency	Relative Frequency
Less than Bachelor	0	0	8	15.7	8	6.4
Bachelor	0	0	26	51	26	20.8
Master	14	18.9	13	25.5	27	21.6
Doctorate	60	81.1	4	7.8	64	51.2
Total	74	100	51	100	125	100

7.1.4 The distribution of the study sample in terms of gender

Table (5) illustrates that most of the respondents were males, representing 95.2% of the total sample.

Table 5. The study sample in terms of gender

Item	Academics		Investors		Total	
	Frequency	Relative Frequency	Frequency	Relative Frequency	Frequency	Relative Frequency
Male	68	91.9	51	100	119	95.2
Female	6	8.1	0	0	6	4.8
Total	74	100	51	100	125	100

7.1.5 Testing Reliability of Data

To be able to generalize the results obtained in the current study, it was necessary to test the reliability of the instrument used for data collection. Cronbach's Alpha was used to test the reliability of the data. A value more than 0.70 is acceptable for this purpose (George & Mallery, 2003). To generalize the results of the study, Cronbach's alpha was calculated for the results obtained in the current study and found to be approximately 0.82, and this value was sufficient and reliable for generalizing the results obtained on the population of the current study.

7.2 Description of the sample responses

Tables 6 and 7 show a descriptive illustration for the responses obtained from the sample of the study. In this description¹, means and standard deviations are presented for each individual response in addition to the frequencies of responses. Table 6 shows the perceptions of respondents concerning the adequacy of accounting disclosure quality issued from the listed companies in light of the

prevalent international financial crisis in accordance with the requirements of accounting disclosure standards issued from Jordanian Securities Committee and in light of the International Accounting Standards and Financial Reporting preparation. As seen, item 5 stating that "accounting information provided by the listed companies are free from biases" had the highest mean 1.83 and there was an agreement between the investors about this item. And this can be observed through the mean value, whereas 1.89 by the academic group, and 1.77 by the group of investors. While item 9 stating "listed companies comply the same accounting practice overtime when presenting their accounting information" had the least mean 0.92. This is obvious through the mean value, whereas 0.72 by the academics group, and 1.12 by the group of investors. Accumulated mean value for all answers of the respondents amounted at 1.295. This means that there is a consensus regarding inadequate quality of accounting disclosures in financial statements, and this demonstrate a high degree of agreement among the academics and investors.

Table 7 shows the perceptions of respondents concerning the adequacy level of accounting disclosure quantity issued from the listed companies in light of the prevalent international financial crisis in accordance with the requirements of accounting disclosure standards issued from Jordanian Securities Depository Center (JSDC) and in light of the International Accounting Standards and Financial Reporting preparation. As seen, item 1 stating that "the financial reports issued by the listed companies contain adequate information enabling investor make suitable investment decisions" had the highest mean 0.83" and there was an agreement between the investor about this item. Whereas the mean value have shown 0.92 by the academics group, and 0.74 by the group of investors. While item 3 stating "the financial reports issued by the listed companies contain adequate information appendices for the following financial periods enabling investor make suitable investment decisions" had the least mean -0.44" furthermore. Whereas the mean value have shown -0.31 by the academics group, and - 0.57 by the group of investors. Accumulated mean value for all answers amounted 0.237. This demonstrates a low degree of agreement exhibited by the sample regarding quantity of accounting disclosures in financial statements. This result can refer to the fact that the level of awareness among the respondents makes them realize the more informative financial reporting enhances their ability to make investment decisions.

Table 6. The adequacy of accounting disclosure quality

No	Statement	Academics		Investors		Total	
		Mean	SD	Mean	SD	Mean	SD
1	The listed companies present their accounting information in a comprehensible way in accordance with the investors, financial and business backgrounds	1.65	0.87	1.95	0.38	1.80	0.56

2	The listed companies provide the timely required accounting information to make effective investment decisions	1.08	0.45	1.42	0.75	1.25	0.52
3	The accounting information provided by the listed companies enable investors make predictions about the future consequences of their investment decisions	1.02	0.39	1.06	0.53	1.04	0.46
4	The accounting information provided by the listed companies enable investors assess their investment decisions in advance.	0.98	0.87	1.26	0.45	1.12	0.70
5	The accounting information provided by the listed companies are free of biases for a certain group of investors	1.89	0.58	1.77	0.86	1.83	0.71
6	The accounting information disclosed by the listed companies are free of material or substantial mistakes	1.19	0.87	0.95	0.69	1.07	1.12
7	The accounting information provided by the listed companies provide investors with an honest picture without any exaggerations	1.67	0.91	1.17	0.47	1.42	0.67
8	The listed companies comply to the application of "Conservatism" constrain when disclosing any accounting information	1.17	0.43	1.47	0.87	1.32	0.54
9	Listed companies comply the same accounting practice overtime periods when presenting their accounting information (Consistency)	0.72	0.48	1.12	0.45	0.92	0.62
10	The disclosed accounting information provided for investors enable them compare the performance of the company with similar companies (comparability)	1.05	0.78	1.31	0.41	1.18	0.49
	All statements	1.242		1.348		1.295	

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Table 7. The adequacy of accounting disclosure quantity

No	Statement	Academics		Investors		Total	
		Mean	SD	Mean	SD	Mean	SD
1	The financial reports issued by the listed companies contain adequate information enabling investor make suitable investment decisions.	0.92	0.86	0.74	1.34	0.83	1.06
2	Auditors reports contain sufficient and adequate information enabling investor make suitable investment decisions.	0.32	0.76	0.12	1.48	0.22	0.92
3	The financial reports issued by the listed companies contain adequate explanatory notes for the following financial periods enabling investor make suitable investment decisions.	-0.31	1.49	-0.57	1.17	-0.44	1.45
4	The quantity of clarifications provided with the financial reports such as those concerned with clarifying the accumulative figures found in the essence of the financial reports enable investors make suitable investment decisions.	0.36	1.69	0.28	0.87	0.32	1.12
5	The financial reports issued by the listed companies contain adequate information about the major shareholders and senior stockholders in the listed companies to enable investors make suitable investment decisions.	0.48-	0.78	0.08	1.38	0.2-	1.01
6	The financial reports issued by the listed companies contain adequate information about board of directors and staff members in the listed companies to enable investors make suitable investment decisions.	0.14	1.38	0.04	1.94	0.09	1.52
7	The financial reports issued by the listed companies provide investors with adequate information about the developments of the company during the last ten years in a way enabling investors make suitable investment decisions.	0.83	1.24	0.15	0.69	0.49	0.88
8	The listed companies provide sufficient information concerning the future plans and expanding activities enabling investors make suitable investment decisions.	0.2	1.46	0.42	0.86	0.31	1.53
9	The listed companies provide sufficient information concerning the past and future company's social achievements enabling investors make suitable investment decisions.	0.39-	0.87	-0.23	1.56	-0.31	1.22
10	The disclosed accounting information in the financial reports of relevant economic sectors is adequate for investors to make suitable investment decisions.	1.31	1.48	0.45	0.87	0.88	1.12

11	Half-annual financial reports contains sufficient information in accordance with the time period covered, thus enabling investors make suitable investment decisions.	0.22-	0.91	0.06	1.23	-0.08	0.98
12	The listed companies disclose the required information within reasonable periods to enable investors make suitable investment decisions.	0.97	1.79	0.49	0.87	0.73	1.44
	All statements	0.305		0.169		0.237	

7.3 Hypotheses Testing

We used One Way ANOVA at the significance level of ($\alpha=0.05$). With a repetition rule stating "if the significance level was less than ($\alpha= 0.05$), the null hypothesis was rejected and the alternative hypothesis was accepted". To compute the respondents' attitudes, *t-test* was used at the same significance level in light of a rule stating "if the significance level was less than ($\alpha= 0.05$). The respondents agree with each of the statements presented, if not; they disagree with them. We present here the results of testing the study hypotheses:

7.3.1 Testing H1

The first hypothesis states the following: "there are no significant differences at ($\alpha= 0.05$) between respondents concerning the adequacy quality of current mandatory accounting disclosure in the financial reports. Table 8 below shows that the significance level for *F* test was (0.157) and this value is larger than ($\alpha= 0.05$), meaning that we accept the null hypothesis stating "there are no substantial differences between respondents and that there is an agreement between them. Through the significance level ($\alpha=0.05$) for *t*-test for both categories of respondents, we find that the value is less than ($\alpha= 0.05$), meaning that the majority of respondents agree on the adequacy of the quality of mandatory accounting disclosure issued by Jordanian listed companies.

7.3.2 Testing H2

The second hypothesis states that "there were no differences at ($\alpha=0.05$) between the respondents concerning the adequacy level of current mandatory accounting disclosure in the financial reports. Table 9 below shows that the significance level for *F*-test was (0.023) and this value is less than ($\alpha= 0.05$), meaning that we reject the null hypothesis and accept the alternative hypothesis stating "there are substantial differences between respondents and that there is a disagreement between them. Through the significance level ($\alpha=0.05$) for *t*-test for both categories of respondents, we find that investors saw that the disclosure levels provided by financial reports were insufficient to serve in the investment decision making while academics saw that disclosure levels provided by financial reports were sufficient to serve decision makers.

Table 8. Results of testing the first hypothesis

Type of test	Significance level of $\alpha = 0.05$	Result
<i>F</i> -test	0.157	Acceptance of Null hypothesis
<i>T</i> -test Value Academics	0.024	
<i>T</i> -test Value Investors	0.035	

Table 9. Results of testing the second hypothesis

Type of test	Significance level of $\alpha = 0.05$	Result
<i>F</i> -test	0.023	Reject of Null hypothesis
<i>T</i> -test Value Academics	0.041	
<i>T</i> -test Value Investors	0.178	

CONCLUSIONS

Based on the results of statistical analysis and hypothesis testing, it's obvious that investors and academics unanimously agreed that the quality of accounting information disclosed by public shareholding companies referred to the accounting disclosure requirements issued by the Securities Commission in Jordan and International Accounting Standards are sufficient to meet investors needs for taking appropriate decisions in light of the circumstances prevailing. Academics agreed that the amount of accounting information disclosed in mandatory financial reports is sufficient to meet the needs of various financial reporting's users. On the contrary there is a substantial disagree in opinions between investors and academics on the adequacy of the quantity of accounting disclosure. Investors considerably need more disclosed information to reduce the uncertainty and serve their intended purposes effectively various investment decisions. This is consists with results revealed by Ryan (2008) and Loundi (2002). The inadequacy quantity of accounting information as perceived by investors at the ASE were a combination of various information related to financial reporting, such as clarifications included in the bottom of the financial reporting, observations concerning subsequent events or additional data.

Researchers recommended that there is a need for re-consideration of disclosure requirements by the Jordanian accounting bodies regarding the quantities of accounting information disclosed by public shareholding companies listed on Amman Stock Exchange in order to meet the needs of investors and other financial reporting users. Nonetheless, further studies are necessary on the adequacy of accounting disclosure to meet the financial reporting users needs with a good quality of disclosed accounting information.

This study provides information which can be utilized by various Jordanian decision makers in order to rationalize their decisions and maximize benefits, as well as enabling investors to understand the effects of the global financial crisis. Furthermore, researchers could make use of this current study and rely on it to accomplish further related studies in future.

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¹ Notes: (*)The **relative weight** was assigned according to the following scale:

Relative weight	Mean
Strongly agreement	2
Agree	1
Neutral	0
Disagree	-1
Strongly disagree	-2