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This study makes a significant contribution to the growing body of accounting research by testing the value relevance of financial and non-financial information in Indian context. The study has been undertaken to assess the impact of financial and non-financial information on various stock market measures. From the analysis, following inferences and conclusions were drawn.

The companies should provide a variety of information as all investors have a different way of analysing and using the information. It should suit the requirements of all investors.

Financial information plays an important role in investor’s investment decisions. The information content of accounting and financial numbers is most fundamental in ascertaining the stock price. No doubt, investors emphasise the use and stress on more availability of non-financial information, their main focus is certainly financial and accounting variables such as earnings per share, dividends per share, book value and market price of the share.

Non financial variables do have a significant impact on the dependent variable that is share price. Employee cost, market expenses, royalty, technical fees are the most significant variables followed by R&D revenue per share. R&D under current account is perceived positively by the investors. Non financial information like market share, image of the company, customer satisfaction, quality, and innovation share the centre stage with the financial variables and have an influence on the investors’ decisions as highlighted by this research.
Investors and analyst, both look for such information in annual reports followed by analyst report and have considered the annual and analyst reports as most reliable and are using these reports for all kinds of information.

Overall, the survey reveals that non-financial information is valued but how much impact it has on the decision making is difficult to answer as investors do not have any standardized methods of incorporating the information in their decision making.

As far as the preferences of retail investors and analyst are concerned, there is no difference in their preferences except in variables like market price per share, capital structure, and retained earnings. The retail investors do not like to invest in companies which are highly levered whereas Analyst feels that financial leverage can have magnifying impact on the shareholder's wealth.

Trading is affected by number of factors such as hype, market sentiment and fundamentals. Market sentiment refers to the psychology of market participants, individually and collectively. Different types of investors depend on different factors. Short-term investors and traders tend to incorporate and may even prioritize technical factors. Long-term investors prioritize fundamentals and recognize that technical factors play an important role.

The companies having sound liquidity are in a position to create more value for the firm as they can channelize the funds to R&D and marketing efforts which, in turn, enhance the value of the company. Liquidity of the company as represented by current ratio has been positively and significantly associated with the firm value.

Apart from the financial variables, the intangible assets are having an influence on the market capitalization. Among the financial variables the net income, book value and dividend per share are significant and in the
non-financial variables intangible assets are highly significant and influential and having a significant impact on the market capitalization.

Since BSE 100 has high intangible component as these companies invest significantly in intangibles, such as research and development, human capital and trademark development, the book value is not found to be a significant variable but at the same time Indian Investors have considered book value as a significant and dominant variable. The study reflects that an increase in reserves leads to increase in book value. This strong association of book value and reserves with the share price also reflects stronger financial position of a company as reserves signify a stable and sound position of the company. Book value is considered significant by the investors because it serves as an indicator for a company’s ability to avoid bankruptcy and reduce the risk of liquidation as it is based on reserves of the company.

Since information variables financial or non-financial are significantly associated with the information set that investors are looking for to value the company, we can say that information is relevant in Indian context.

The models employed in the study reveals that financial as well as non-financial variables of the study are significant and do have an impact on the share price, firm value, and market capitalization.

On comparing the primary and secondary data, it is found that both financial and non-financial variables are important but when they are taken together, the impact on the share price becomes more pronounced, noteworthy and significant. Hence in Indian context, financial as well as non financial information is value relevant.

7.2 **Scope for Future Research**

This research work focuses on the Measurement perspective of financial and non-financial information so there is a scope for research in signalling perspective or event study methodology. Focus on the studies measuring
the impact of corporate announcements on share price could be the future research areas.

Various non-financial variables which are not considered in this work like top executive departure, impact of mergers and acquisition, balance score card, pension and other qualitative non-financial variables leave the scope for future research. The value relevance is a very broad area and specific and detailed studies can be done. Impact of ratios on the investor’s decision making and other stock market measures can throw more light on value relevance in Indian context. It would be interesting to test the relationship between the market-to-book ratio and variables measuring information published by companies on their intangibles. In case of primary data collection, increase in sample size and geographic reach can be extended.

There are more than 110 countries across the world where International Financial Reporting Standard (IFRS) is permitted and this came into being in 2005. The Institute of Chartered Accountants of India Decided that Indian Accounting standards (IAS) will be fully in line with the IFRS from April 1, 2011 for listed companies. There is a change in the reporting system as the accounting standards are changing so to evaluate the value relevance before and after the change is fruitful in improving the standards of corporate financial reporting and is a matter of research which is not covered in this study.

A detailed study on the treatment of R&D expenditure as revenue or capital and its impact on the stock market and the firm performance can be done in Indian Context.

As the total movement in the stock price is not explained by the model, the macro economic conditions, political situation, government policies, exchange rate and many other micro economic factors other than the financial and nonfinancial variables can affect the changes in stock price
and explains the unexplained movements in the share price provides the scope for future research in Indian context.