EFFECT OF FINANCIAL ACCOUNTING REPORTING SYSTEM ON THE MANAGEMENT OF DEPOSIT MONEY BANKS IN NIGERIA

(A Case Study of United Bank for Africa Plc, Ilorin)

BY

SANNI AYOTOMIWA MICHAEL
HND/23/ACC/FT/0094

BEING A RESEARCH PROJECT SUBMITTED TO

THE DEPARTMENT OF ACCOUNTANCY,
INSTITUTE OF FINANCE AND MANAGEMENT STUDIES (IFMS),
KWARA STATE POLYTECHNIC, ILORIN

IN PARTIAL FULFILLMENT OF THE REQUIREMENT OF THE AWARD OF HIGHER NATIONAL DIPLOMA (HND) IN ACCOUNTANCY

MAY, 2025

CERTIFICATION

This is to certify that this project work has been written by SANNI AYOTOMIWA MICHAEL with HND/23/ACC/FT/0094 and has been read and approved as meeting parts of the requirements for the award of Higher National Diploma (HND) in the department of Accountancy, Institute of Finance and management studies, Kwara State Polytechnic, Ilorin, Kwara State

……………………………..…. ……………..……………

DR. YUSUF A.S. ***DATE***

PROJECT SUPERVISOR

……………………………..…. ……………..……………

MRS ADEGBOYE B. B. ***DATE***

PROJECT COORDINATOR

……………………………..…. ……………..……………

MR. ELELU M.O. ***DATE***

HEAD OF DEPARTMENT

……………………………..……… ……………..……………

IKHU-OMOREGBE SUNDAY ***FCA*** ***DATE***

EXTERNAL EXAMINER

DEDICATION

This project is dedicated to the glory of Almighty GOD, the creator of heaven and earth and the source of all sources of knowledge and wisdom.

ACKNOWLEDGEMENTS

I am profoundly grateful to Almighty God for His unending grace, guidance, and blessings throughout the completion of this research work. His peace, love, protection, provision, and mercy have sustained me at every stage of my life. To Him alone, I ascribe all glory and praise.

I owe immense gratitude to my supervisor, Dr. Yusuf A.S., an exceptional teacher and mentor whose encouragement to explore innovative approaches enriched my knowledge and ensured the success of this project. His unwavering moral and academic support has been invaluable.

My heartfelt appreciation extends to the Head of the Department, Mr. Elelu M.O., whose fatherly guidance and leadership have been a blessing to me and my peers. I am also deeply thankful to the distinguished lecturers of the Department of Accountancy—Dr. Yusuf A.S., Mr. Azeez Y.O., Mr. Elelu M.O., Mr. Olabode J.K., Mr. Hassan A.O., Mrs. Adegboye B.B., Mrs. Anifowose B.B., Mr. Akanbi K.A., and all departmental staff—for their tremendous support and knowledge imparted throughout my academic journey.

I express my deepest gratitude to my parents; Mr. And Mrs. Aderemi Sanni, and my guardian; Mr. Kolawole Femi Abiodun for their unwavering love, encouragement, and belief in me. May God continue to bless and keep us all.

Finally, I celebrate my cherished friends and colleagues, whose companionship and shared experiences have shaped me into a better person.

TABLE OF CONTENTS

CHAPTER ONE

INTRODUCTION

1.1 BACKGROUND TO THE STUDY

This project is one that studies the effect of financial accounting reporting of the management of a business. Financial Accounting cover those activities that relates to the preparation of contain reports which are known as financial statement. These statements report the financial status of a firm acting a particular time.

The practice of accounting stated since organized lie evolved. The early man lived in causes from where the developed into living in communities. Later arose the concept of specialization that is each person went about doing those activities of life for which he was most gifted. This same rise to individuals producing certain goods in quantities in excess of what they needed while there were other goods which they need but they did not produce themselves the result was exchange the first system of exchange was by barter later money evolved and replaced barter.

During the stage of barter recording were done but only the quantities of good exchange were recorded. For example in things fall apart, used white mark drawn on the wall as record of his indebtedness to others. However as soon as money evolved all recording were done in monetary terms. Another perspective worthy of note about the history of accounting is the impact of the different stage of organized business on accounting. At the stage of specialized in using their skill in craft and developed the quid system. There the job was done by one man at most with the aid of member of his family. The guide system grew and outside were employed to work for the owner.

The industrial revolution expanded the output and some rise to the factor system of working. As the size of these factories grew it became impossible for one person to set up a factory alone. This same rise to partnership and of course the joint stock company. The joint stock act of 1844 is a very important landmark in the evolution of accounting. It marked the evolution of accounting, marked the beginning of auditing. The result of this act is what is known today as limited liability or public limited liability companies. The essential feature of the limited liability companies is that ownership is separate from management. Large number of owner (shareholder) across the slode invest in companies while a few directors are elected to manage these companies.

This particular development gave impetus to the evolution of audit as an aspect of accounting. Also the size of these companies and the staff competition for funds, markets, new ideas and product save rise to more resources accounting techniques. Like cost and management accounting to aid management in decision makings.

Taxation is another branch of accounting required to management in decision making. Tax has a lot of important source of revenue of other on one hand and is an important source of revenue of other. Even in the public sector it has observed that account is indispensable as a result government public sector accounting has now evolved to take care of this information need. One cannot do a comprehensive review of the history or evolution of accounting with has that have been in use. They are the change and discharge system and the double entry system in the charge and discharge system. The change is made up of the balance held at the beginning of a period to which is added any receipt from the owner discharge is the flays made to or on behalf of the owner. It has been change that the double entry system evolved in the 14^{th} century. However, it was in the book written by a Monk Luca Pacioh in 1494 title summa ole arithmetic geometric, proportion etc proportion that the double entry system was first documented.

1.2 STATEMENT OF THE PROBLEM

An effective information system is very important for the functioning of any business. The financial accounting system in most business do to portray fully the principles of accounting system. Financial accounting information involves technicalities such as quantitative analysis adequate recording reporting etc some business organization may unknowingly employ incompetent and unskilled manpower and as such the financial accounting information prepared may not show a true and fair view of the financial strength profitability and future prospects of the organization. Some organization have to realism that accounting information is the only medium through which both the management and external users set a clear picture of an organization. If they fail to realize appreciate an accountant analysis in respect of the accounting information generated. This often leads to poor management decision which will have negative effects on the performance of business organization.

1.3 RESEARCH QUESTIONS

(1) What are the relationship between performance of United Bank for Africa and effective use of financial accounting information?

(2) What are the relationship between financial accounting information and decision making?

(3) What are the relationship between financial accounting information and profit planning?

1.4 OBJECTIVE OF THE STUDY

The main objective of this study is to determine the effect of financial accounting reporting on the management of a business. Apart from this major aim the study will also find out the following:

1. To ascertain whether there is a direct relationship between the performance of United Bank for Africa and effective use of financial accounting information.
2. To ascertain whether there is a direct relationship between financial accounting information and the decision making in United Bank for Africa.
3. To ascertain whether there is a direct relationship between financial accounting information and profit planning in United Bank for Africa.

1.5 STATEMENT OF THE HYPOTHESIS

H01: There is no relationship between performance of emeriti and effective use of financial accounting information.

H02: There are no relationship between financial accounting information and decision making.

H03: There are no relationship between financial accounting information and profit planning.

1.6 SIGNIFICANCE OF THE STUDY

The research will be significant in

(a) Examining the effect of financial accounting as an information system

(b) Directing the business person to such effect

(c) Warning not only business person but all person from the neglect of financial accounting information

(d) Encouraging all to obey heed the warning of financial accounting information.

The beneficiary of this research are as follows;

(a) Manager of companies and corporation

(b) Practicing accountants

(c) Customers

(d) Owner and shareholder

(e) Government

(f) Research student

1.7 SCOPE OF THE STUDY

This study will be centered on the effect of financial accounting reporting on the management of the business with reference to United Bank for Africa Plc.

1.8 LIMITATION OF THE STUDY

The constraints that will be encountered in carrying out this research are as follows:

(a) **Time constraint: -** Time apportioned for this study is not enough for the researcher to seek for all the need information.

(b) **Financial constraint: -** Due to limitation by the scarcity of funds all the data that to be used be collected in Kwara state.

(c) **Lack of co-operation: -** The workers usually don’t co-operate with the researcher during interview.

1.9 PLAN OF THE STUDY

The main plan of the study is to determine the effect of financial accounting reporting on the management of the business. Apart from this major aims the study will also find out the following.

1. To ascertain whether there is direct relationship between the performance and effective use financial accounting information.
2. To ascertain whether there is a direct relationship between financial accounting information and the decision making.

3. To ascertain whether there is a direct relationship between financial accounting information and profit planning.

1.10 DEFINITION OF TERMS

Effect: - The Advanced Learners Dictionary defined effect as the degree or extent of the result or outcome.

Financial Accounting: - It can be defined as the process of identify, classify, and summarizing systematically in terms of money transitions and events which have financial character and then interpreting the result. The above definition is given by (AICA American Institute of Chartered Accountants.

Information (Report): - This can be defined as fact needed or received by a person or group of persons which will be useful to him. This information spoken or written.

Management: - This can be defined as working with and through others. The process of thinking and doing, the process of using both human and material resources to achieve the set goal and objectives and that management may be seen as the act and science of achieving the objective of a business in the most efficient way.

Business: - This is a process of using both human and material and capital resources are combined to satisfy human needs and wants Advanced Learners Dictionary defined it as buying and selling.

CHAPTER TWO

LITERATURE REVIEW

2.1 CONCEPTUAL FRAMEWORK

2.1.1 Accounting as a Language of Business

Ezagu (1999) in his book principle and practice of communication in administration and business defined language as a purely human and non-instinctive method of communicating ideas, emotion and desire by means of a system of voluntary produced symbols signs word, or behavior.

The language of accounting involved both vocabulary and grammar. Learning the vocabulary involved becoming familiar with both the exact definition of accounting word as follows.

Transition: - This is any dealing between two or more person involving exchange of goods or services for a consideration usually in money. When such transition take place the buyer debit the goods accounted credit cash account with the amount he gives out, the seller credit the goods account and debit the cash account.

Assets: - These are right which have values to his owner, which represent expected future economic benefit or right transaction. Assets acquired as a result of part or current non – inventory assert: these are right which are tangible in nature and can last with the business entity for a very long time they are usually acquired for retention in the business and not for conversion into cash e.g. motor vehicles used in running of the business, plant equipment used in production land and building furniture, fixture, and fitting etc. the net value of these asset will be recorded in the balance sheet as assets of the company. Inventory these are assets which are calculating or floating within the business at the current period usually at current financial period. They can be easily turned to cash at a reasonably short time. These include stock of good debtors, cash at bank, cash at hand, bills receivable and prepayment inventory. These are goods bought and meant for sale at a particular period there are opening stock and closing stocks. Opening stock concern the goods with which a business was started, closing stocks are stocks which remains unsold in the business at the end of the period. For which value can only be ascertained by a value. The opening stock is used in preparing balance sheet, it is record as current asset of the company.

Payable: - These are those who own the business at any particular period. It will be record as current asset at the balance sheet.

Receivable: - These are those whom the business owes. It is record in the balance sheet under current liabilities.

Prepayment: - This is any amount paid in an advance for which benefit has not been enjoyed. It is record under current assets in the reduce from the expanses in the profit and loss account.

Accrual: - This is any amount that has not be paid and the benefit has been enjoyed. It is recorded under current liabilities and added to the expenses in the profit and loss account.

Cash at Bank: This is any cash left at the hand of a business at any period it is record under current asset in the balance sheet.

Wasting Asset: - These are asset which each revenue but are gradually consumed or exhausted when they are explored e.g. mine airy cemetery etc.

Fiction Assets: - These are debit balance resulting from expenditure of an exceptional nature which is not represented by present value but has not been written accounting period.

Tangible Assets: - There are material existence asset e.g. stock, plant, furniture etc.

Intangible Assets: - These are asset that have no tangible form but represent the value of right e.g. goodwill patent right copy right, royalties etc. it is recorded in the business sheet under asset side before fixed asset will be recorded.

Liabilities: - These are amount which a business owes to its owner or others. They consist of fixed or long term liabilities and current or short term liabilities.

Fixed or Long Term Liabilities: - these include all money which a business owes to its owners or others which need not be met within a year. E.g. capital, long term loan, authorized share capital, issued share capital debenture and reseller profit etc.

Current Liabilities: - These are those liabilities which theoretically must be met within one year firm the balance sheet date. E.g. creditors, overdraft, accrued expenses and proposed dividends, proposed taxation and reserved profit etc.

Capital Expenditure: - This is expenditure incurred for an acquisition of fitted asset required for use in business. It can also be expenditure incurred for the improvement of asset in order to increase their earning capacity in the business e.g. cost of acquiring equipment or building a car tools etc.

Revenue Expenditure: - This is expenditure incurred in selling and distribution goods and in administering the business. A contributes only once to the earning profit and expect when it is represented by unsold stock and payment in advance is whole exhausted and written off against revenue in the period.

2.1.2 The Composition of the Financial Reports

Financial report are essentially historical documents describing the financial results of past company's activities. Various reports, statement and notes constitute the entirety of company's financial reports, and each must be clearly understood in order that acquaintance of their impacts on performance can be ensured. The compositions include among others the following:

i. Statement of Financial Position:

The Statement helps users to assess the long term solvency of an entity as well as the going concern status.

Statement of Profit or Loss and Other Comprehensive Income

Profit or loss is a performance statement that provides information on all sources of revenue or income profile over a period of time. While other comprehensive provides a view of income have not been recognized in the profit or loss statements.

ii. Statement of Changes in Equity

This provide adjustments made to movement in owners' equity over an accounting period resulting in changes in shareholders' equity such as treasury stock purchase, issue of new shares etc.

iii. Statement of Cash Flow

This statement reports the use of monetary assets generated through operating, investing and financing activities by cash inflow and outflow in an organization. As an analytical tool, it assists in determining the short-term viability of a company, in its ability to generate sufficient liquidity to meet its maturing obligations

iv. Notes to the Account

These are additional information disclosed in a financial statement explaining hey areas and figures in relation to a company and its operations.

2.1.3 Users of Financial Statements

The users of financial statements are classified into internal and external users as highlighted below:

- **Management**

These are the people saddle with the responsibilities of managing the day to day affairs of the organization on behalf of the shareholders. They used the financial statements to evaluate their performance and make critical decisions (Saoud, 2020).

- **Owners**

These are shareholders who invest their capital in order to create value and get appropriate returns on their investment. The financial statements provide them with necessary information regarding the viability and profitability of the organization (Saoud, 2020).

- **Investors**

These are individuals and corporate organizations that purchased shares in a company and analysed financial statements with a view to assessing the performance of the organization for objective and economic reasons.

- **Creditors**

These are lenders to the organization and are interested in knowing the solvency status of the organization to discharge its obligation as and when due. The financial statements provide them with the relevant information to assess the organization viability (Saoud, 2020).

- **Government**

Financial statements provide appropriate inputs to government decision making and form the basis for assessing organization for tax purposes. Financial statements are also a reflection of the performance of the economy (Saoud, 2020).

- **Employees**

The employees want to be abreast with developments in the company as regards its profitability and going concern. Employees would also be interested in knowing the company's financial position to their career prospects.

- **Regulatory Agencies**

Regulatory agencies such as the Central Bank of Nigeria, Securities and Exchange Commission and others are saddle with the responsibilities of ensuring soundness, stability and safety of the banking institutions and therefore requires the financial statements in order to effectively carryout oversight roles.

- **Depositors, Customers and General Public**

The ability of the company to continue to provide service into the future is very key. This information can be obtained through the financial statement as regards to its operational stability. Depositors must have confidence that their savings are secured based on their assessment regarding the soundness, stability and safety of the institutions.

2.2 THEORETICAL FRAMEWORK

2.2.1 Ethical Relativism Theory

This theory holds that whether an action is right or wrong is a function of acceptable behavioural pattern of the society. According to Velasquez, Andre, Sharks and Meyer (2004) the theorists, there are no widely accepted behavioural standards. This is because different moral beliefs are held by different people since our belief is a function of culture so there are different morals what seen right to one looks wrong to another. This theory encourages one to understand the reason behind beliefs that differ from our own, while at same time it challenges us to investigate our beliefs and values we hold (Adegbie & Fofah, 2016).

2.2.2 Arbitrage Pricing Theory

The theorist argued that return on asset i are subject to a series of actors. It implies that price of a stock is influenced by factors which are: Macro factors and company's specific factors. The theorists crusades that an asset's return can be forecasted by considering relationship which exist between that same asset and many common risk factors. (Ross, 1976, Sharpe 1992, Okodi 2008)

2.2.3 Resource Dependency Theory

Olajide and Soyibo (2001) opine that it was urbanized Pfeffer (1973) and further exposited by Pfeffer and Salancik (1978). The theory centres on the core function of directors in making available capital required in an organization for improved performance (Hillman, Canella and Peatzold 2000, Babalola & Adedipe, 2014 Pfeffer (1973)). The conjecture is a focus on selection of representatives of independent businesses as a way of obtaining resources essential to firm success (Wanyaina & Olwenye, 2013; Daily et al, 2003; Lang and Lockhart, 1990; Johannisson & Huse, 2000; Riana, 2008 Abdullah and Valentine, 2009) The theory is vital to firm as presence of many business experts will account for good counsel (Zahra and Pearce, 1989).

This study will adopt the three theories because the theories relate to the study. That is while Ethical Relativist theory focuses on the attitude of people as in what should reported and what should be reported based on morals of the reporter, the Arbitrage Pricing Theory direct our attention to risk management as it affects investment and resource dependency theory is adopted because focused on mobilizing resources to enhance performance.

2.3 EMPIRICAL REVIEW

Financial accounting reporting system are a necessity in the banking industry, but in today’s dynamic business environment studies have shown that there is more to analyzing a bank’s overall performance than just its financial statements. Nonetheless profitability is still one of the most effective means of assessing bank performance and without the use financial statements (through financial ratio analysis, etc.) it would be difficult to ascertain profitability hence leading to difficulties in determining bank performance. This analysis aims to provide a better understanding of the relevance of financial statements analysis as a yardstick for evaluating financial performance in the banking industry.

Over the years there have been concerns on the performance of banks in view of failures in the banking industry that have led to the loss of deposits by the public. The recent economic crisis has opened the eyes of many to the fact that most banks were not really as healthy as they claimed to have been (Tejuosho, 2012). The report attributed this development largely to lack of focus on corporate governance implementation and reporting as a panacea for efficient risk management practices. Similarly, other institutions also declined due to lack of adequate capital holdings in the form of public funds, which were not readily available which lead to government bailing out these institutions through mergers and acquisitions (Tejuosho, 2012). Furthermore, Tejuosho (2012) stated that the business of banking is that of liquidity and asset management and that a bank's ability to effectively mitigate against the inherent risks it is exposed to will determine the level of performance and stability of the bank.

A study conducted by Hempel and simonspon (1998) on bank's financial performance and managerial efficiency in Taiwan shown that banks with higher ROA had higher profitability and financial performance. A study by Obamuyi (2013) examining the determinants of Bank's profitability in Nigeria, evaluated how bank size, bank capital, expense management, economic conditions and interest income impacted the profitability of banks in Nigeria. The results from the fixed effect regression model that was used indicated that improvement in certain parameters such as: expense management, interest income, economic condition and bank capital contributed to increased growth and better performance by banks in Nigeria.

According to an investigation into published financial statements as it correlates to investment decision-making among commercial bank stakeholders in Nigeria carried out by Popoola, Akinsanya, Babarinde, and Farinde, (2014), components of published financial statement significantly predicted good investment decision making for stakeholders of commercial banks, it also found that statement of financial position have a negative effect with decision making, and rather cash flow statement, value added statement, income statement, five-year financial summary and notes on accounts, had a positive relationship with investment decision-making. They recommended that professional bodies and Nigeria banks should make provisions for programs that would familiarize stakeholders with published financial statements.

A study by Sufian (2011) in Aisa examined the profitability of 251 Korean banks from 1992 to 2003 using multiple regression models, panel data and SPSS Statistical package. The results specified that credit risk has a significantly positive impact on profitability whereas capital had an insignificant positive influence on profitability. It was also discovered that overhead expenses negatively affected the return on assets (ROA) of banks in Korea. Sampath (1990) examined factors influencing profitability of commercial banks. He described profitability as the rate of return on working capital and further elaborate that being profitable relied on certain elements such as: non-interest income, interest income, labour expenses, interest expenses, interest expenses and other expenses. The conclusion of a research paper conducted by Padna and Lall (1991) elucidated that the major factors influencing the profitability of banks are: productivity, quality of assets, organisation setup, information systems, branch expansion and deployment of funds. Vong and Chan (2009) revealed in a study that adequate capitalization, and asset quality of a bank plays a significant role in its ability to generate.

Ali, Akhtar and Ahmed (2011), examined the bank specific and macroeconomic indicators of 22 public and private sector commercial banks profitability from 2006 to

2009 in Pakistan. The findings showed that bank size, operating efficiency, asset management and GDP had positive effect on banks profitability. Sinha and Sharma, (2014) assessed the impact of bank specific and macroeconomic parameters affecting bank profitability in India, adopting the Generalized method of moments(GMM) while obtaining the panel data for the study from 42 commercial banks in India ranging from 2000-2013. Return in Asset was found to be indicating significantly adequate levels of tenacity of bank profitability in India. Bank specific variables like diversification, operating efficiency and capital to assets ratio, were discovered to be significantly and positively impacting the profits of the banks. Whereas Credit risk, measured by provisions for bad debts, negatively impacted the profit of the banks.

Hassan et al (2013) evaluated the impact of macroeconomic and bank specific components on the Return on Equity (ROE) of a selected bank in Malaysia over a nine-year period (2004-2012). The findings indicated that the operating efficiency ratios were inversely affecting the bank profitability in Malaysia. Kargi (2011) assessed the impact of credit risk on bank profitability in Nigeria. Financial ratios were employed as measures of bank performance as credit risk were obtained from annual reports of the sampled banks over a five-year period (2004-2008). Data was analysed using correlation, regression and descriptive techniques. The results indicated that financial ratios are an effective measure of bank performance and that there is a significant relationship between credit risk and bank profitability. It also revealed in its conclusion that bank profitability is negatively affected by non-performing loans, deposits and high levels of loan and advances which leads to high risk of illiquidity and instability.

Sufian (2008) investigated bank profitability of Philippine banks, over a 15-year period (1990-2005). The findings elucidated that all parameters studied had significant impact on the profitability of banks. The study in turn suggested that non-interest income and capitalization had a positive correlation with banks profitability. Research by Ramadan and Thair (2011), examined the determinants of profitability of banks in Jordan. The study sampled 10 banks over a ten-year period (2001-2010) with ROE and ROA as dependent variables, while internal and external factors were established as independent variables. The findings revealed that profitability of the banks in Jordan relied on high loaning activities, lower credit risk, Cost management efficiency and capitalization. Results also indicated that bank size did not significantly increase profitability of banks in Jordan.

A study conducted by Soyemi, Akinpelu and Ogunleye (2013), examined the determinant of profitability of 10 Deposit Money Banks in Nigeria over a five-year period (2006-2010). The result from the linear regression revealed that capital adequacy and bank size had a significant negative correlation with profitability of banks while deposits and management expenses had insignificant positive correlation with profitability of banks. A study conducted by John and Oke (2013), examined capital adequacy of 6 banks before and after the 2004 banks re capitalization policy in Nigeria. The study covered a five-year period (2003-2007). Results from the ordinary least square estimation technique revealed that bank performance, specifically: Earnings per share and Profit after tax, were influenced by capital adequacy. It was recommended that CBN should not solely depend on bank capitalization as a determinant of bank performance, rather it should focus on risk management, effective and efficient bank supervision.

Bosede et al., (2013) investigated the ROI (return on investment) of 24 DMBs from 1977 to 2010 In Nigeria. The results from the econometric model indicated that profitability and returns of commercial banks were significantly affected by output growth, inflation and lending rate which are macroeconomic variables. Profitability and returns were also affected factors peculiar to characteristics of banks, such as: liquidity. Babalola (2012) investigated the determinants of banks profitability in Nigeria. Due consideration was placed on the significant impact of bank-specific, macroeconomic and financial factors on return on asset (ROA). The results of the short run analysis indicated capital adequacy ratio as the actual determining factor for the profitability of banks. Whereas in the long run tangibility and size of banks were the factors that determine bank performance. In Nigeria, Aminu (2013) investigated the determinants of profitability of 7 banks from 2005-2011. The results arrived at from the regression analysis elucidated that management efficiency was the only driving force when determining (ROA) and (ROE). It was also discovered that asset quality and capital adequacy have insignificant negative impact on profitability while liquidity had no significant positive impact on profitability while liquidity was not significantly correlated with profitability.

CHAPTER THREE

METHODOLOGY

3.1 RESEARCH DESIGN

Administered questionnaire which were lift with respondent and collect at a later data. The self-administered questionnaire were followed up with personal interview in such a way followed to acquire the reason, effect, merits of the financial accounting reporting in the management of a business in United Bank for Africa Plc.

This is the basic plan which guides the data collection and analysis phase of the research project. It is also the framework specify the types of collection procedure.

3.2 AREAS OF THE STUDY

This study centers on the effect of financial accounting reporting in the management of a business. It covers only United Bank for Africa Plc.

3.3 POPULATION OF THE STUDY

In the way of gathering important or vital and timely information on this research work, the study was conducted and it is aimed at enabling the researcher to determine a particular situation from the reaction of this subject concerned with study.

The reason of define the population is this research work is not just to identify the element but to enhance the measurement of certain characteristics which can be eliminated and classified according to the requirement of a particular survey.

Furthermore, this research work on the population on the study shall be limited to the entire staff and management of United Bank for Africa Plc. These staff of the case study is further subdivided into senior and junior staff from the data available from the case study. These are fifteen (15) senior staff from and thirty five (35) junior staff given to total population of fifty.

3.4 SAMPLE AND SAMPLING TECHNIQUE

A standard sampling technique was used in selecting staff from the four zones in which the bank were located. According to Pedro (2011), 10% could be used has the sample size 50% of 50 in equal to 25 which represent the entire population which is basically selected from various department that up the bank. Sampling in research project since the research room for through study complete average from all population. It enable the research to obtain a quicker result. In this research, method used for select samples to represent the population of study was simple random sampling. In simple random sampling member of the population of the study staffs were drawn randomly in the simple. The researcher adopted random sampling technique to make sure that every element in the population has the same chance of being drawn in the sample. The sampling use in this research work is as follows:

1) The first method is where variable such as age, set, month status or salary are used with the result of the questionnaire to get the expected frequency using the following formula for calculating the chi – square is given as;

$$X^2 = \frac{(Fo - Fe)^{2-}}{Fe}$$

Where Fo = Observed frequency

Fe = expected frequency

2) The second method is where no variable is used. The number of respondent would be divided by the response level such as agree, strongly agreed, disagree, strongly disagree and undecided.

$$Fe = \frac{\text{row total x column total}}{\text{Grand total}}$$

3.5 VALIDITY OF THE INSTRUMENT

The measurement instrument employed is valid in the sense that it has numerous advantages the method of instrument we are going to use in measurement the data is concurrent method. F.O. Obodoeze (1996) outlines the following advantages

1. It is credible because the results are usually reliable
2. It reduce the monitoring of the project work
3. It also makes the work less expensive
4. A large volume of information is usually collected

Moreover, it is expected that the accounting respondent will respond accordingly by answering the question effectively this study will be useful for other researcher in the field of accounting information.

3.6 INSTRUMENT FOR DATA COLLECTION

In this research, the instrument use personal interview, sample that is random sampling method (to avoid bias) questionnaire, textbooks, presentation, seminar and journals.

1) **Questionnaire:** They are question statement formal tapping readily available information. The contain carefully selected question about eh contrast being used in specific terms frames of references.
2) **Interview:** It is a face to face interaction situation in which the interviewer asks question directly and the interviewer is expected to respond to the question asked.
3) **Journals:** It is not likely that he will fined resent and current a tide relevant to his research that have not yet appeared in the appropriate indirect.
4) **Textbooks Presentation of Seminar:** In this area of the study may reveal useful information of interest to the research

3.7 RELIABILITY OF THE INSTRUMENTS

The research works afford the researcher to the United Bank for Africa Plc to distribute the question to the respondent that fill with in the sample size and the collection of the questionnaires from them. The researcher also conducted personal interview with some respondent which ensure greater insight into their view about the research. Thus the method of the two instrument used in the data collection are rather so effective the main problem faced during the conduct of the field work concluded fear by some staffs of United Bank for Africa Plc that if they supplied the required information that could affect their job negatively. Some other staffs felt too busy to fill the questionnaire for forgot all about it until it later set back to collect the questionnaire. Nevertheless with my repeated calls, presently attitudes and persuasion, the researcher was able to collect all the prerequisite mentioned.

3.8 METHOD OF DATA ADMINISTRATION

The research administers questionnaire on respondent to solicit for their responses as well as interpret the content for those that could not understand it. The researcher will assist them by reading the questionnaire question to them and indicating their responses against the question. The research will do this in their homes and in their offices in order to enable them understand the question. This field administration of the instrument guaranteed sincere and candid information from them (respondent).

3.9 METHOD OF DATA ANALYSIS

To determine the total score of each question, item, the responses were scored and computed in table and figure and were finally summarized the sample table and percentage method. Appropriately interference work made especially as they to the research question.

CHAPTER FOUR

PRESENTATION OF ANALYSIS AND COMPUTATION OF DATA

4.1 INTRODUCTION

Having collected the required data for this study using two sets of questionnaires. This chapter present and analysis the generated data using tables, sample percentages and chi-square. Also contained in this chapter is the test of hypothesis.

It is important however to state that the data presented analyzed and discussed in this chapter are those that directly relate who the objectives and hypothesis formulated for this study.

4.2 DATA PRESENTATION

In order to determine the company under study prepares annual financial statements the question shown was asked and analyzed.

Question 1: Does the company prepare annual financial statement?

Table 4.1

Options	Senior	Junior	%
Yes	25	25	100
No	-	-	-
Total	25	**25**	**100**

Sources: Field Survey, 2024

Question 2: If (a) above how would you rate the level of information given in the financial statement

Table 4.2

Options	Senior	Junior	%
Yes	20	17	78.57
No	5	8	21.43
Total	**25**	**25**	**100**

Sources: Field Survey, 2024

Question 3: Does the company rely mainly on financial accountings information for making business and financial decisions?

Table 4.3

Options	Senior	Junior	%
Yes	21	15	76.2
No	4	10	23.8
Total	**25**	**25**	**100**

Sources: Field Survey, 2024

Question 4: What is the source of your financial accounting information?

Table 4.4

Options	Senior	Junior	%
Internal	25	21	95.24
External	-	-	0.00
Both	-	4	4.76
Total	**25**	**25**	**100**

Sources: Field Survey, 2024

Question 5: How would you rate the effectiveness of financial accounting information in achieving it objectives?

Table 4.5

Options	Senior	Junior	%
Very strong	10	7	30.95
Strong	11	13	52.38
Weak	4	5	16.67
Very Weak	-	-	0.00
Total	**25**	**25**	**100**

Sources: Field Survey, 2024

4.3 INTERPRETATION OF DATA

In question (1) table (4.2 the table indicates that all the managers as well as the customers are of the view that the company prepare analysis. It becomes necessary to know the of the information content of the annual financial statement.

In question 2 (table 4.3) the table indicates that out of a total number (2) table 4.3), the table indicate that out of a total number of forty two (42) person, thirty three (33) 78.5% of them accepted that the level of information given in the financial statement is highly reliable. (21.43) are if the view that such level of information is not very reliable.

In typing to determine how he company rely mainly or financial accounting information for making business and financial decision a question was asking the response analyzed (that is question (3)). Question 3 table 4.4 also indicate that out of a total number of Forty Two Question two (42) person Thirty Two (32) person Thirty two (76.2% are if the view that their bank reply mainly in financial accounting information for asking business and financial decision.

The table also indicate that nineteen manager out of twenty one manager on financial accounting that their bank reply mainly on financial accounting information. It is not possible to study the content of the population for his work. Hence a representative number of the company manager were selected and studied as sample for the research.

4.4 TESTING OF HYPOTHESIS

Chi – square was used as the statistical tool for the two hypothesis tested for this study. This toll (chi square) provides useful technique for comparism with respect to observed and expected variables.

HYPOTHESIS 1

Hi: Financial accounting information has contributing to effective decision making.

Ho: Financial accounting information has not contributed to effective according making

QUESTION: Does the company rely mainly on financial accounting information for making business and financial decision.

Respondents	**Option**		
	Yes	No	0i + ei
Senior	21	4	25
Junior	15	10	25
Total	**36**	**14**	**50**

Sources: Field Survey, 2024

Contingency table for (ei) and ($t_2$0)

Table 4.8

Table Position	Oi	RT + CT Gt	Ei	(oi – ei)2	(oi – 3)2
C^2	21	(25+36) – 50	16	9	0.625
C2	4	(25 + 14) =50	5	9	1.8
C^2	15	(14 + 36)- 50	16	9	0.0625
C^2	10	(25 +25) – 50	5	9	**4726**

Source: Field Survey, 2024

$$X0 = \frac{\Sigma (oi - ei)2}{\Sigma 1}$$

4.297

= 3.841

X^2o = 3.841

Note degree of freedom (df) = (c – 1)

Level of significance = 0.05 or 5%

Decision Rule: Accept Ho if X^2 0 > X^2t reject otherwise

Decision since X^2 0 > X^2e, H0 is accepted

This implies that financial account information has contributed to effective decision making.

Test hypothesis by X^2 distribution df = 1

Level of significant = 0.05

HYPOTHESIS 2

Hi: The information content of annual finance statement in United Bank for Nigeria Plc is effective.

H0: The information content annual financial statement in the annual financial standard.

Table 4.8

Respondent	**Option**		
	Yes	No	Total
Senior	21	4	25
Junior	15	10	25
Total	**36**	**14**	**50**

Source: Field Survey, 2024

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 SUMMARY OF FINDINGS

Having sourced the relevant data for this study, using questionnaire analyzed them and used them to test the hypothesis. It is initial to highlight the essential findings of the study. The following were made and summarized this for easy understanding.

1. The financial accounting information about an organization or enterprise is required by a variety of users. This need dictates the fundamental objectives of accounting and the made of reporting information.
2. Financial accounting information is a means of communicating to interested parties information on the resources, obligations and performance of the reporting entity or enterprise.
3. The information expected to be provided in financial statement are those that are quantitative and qualitative in nature to aid their users in making informal economic decisions.
4. Financial statement are clear and easy to understand by all user
5. Meaning financial accounting information can be gathered, collected and presented in different forms. However the format recommended in the Statement of Account Standard (SAS) is adopted to apply Nigeria.
6. Financial Accounting information about the nature and ownership of an organization in one or more of the content of financial statement listed below;

i) Balance sheet

ii) Profit and loss account or the income statement

iii) Source and application if funds statement

iv) Notes on the accounts

v) Value added statement

vi) Historical finance summary

vii) Financial accounting information asset using to access the financial liquidity profitability and viability of a reporting entity.

viii) There is a direct relationship between financial accounting information and the decision taken. Hence one would conducts in at financial accounting information is a basic for decision making in First Bank of Nigeria Plc.

ix) Most of the managers of the bank rely mainly on financial accounting information for business and financially decisions.

x) The level of information given in financial statement is highly reliable.

xi) The effectiveness of financial accounting information in achieving the bank objectives is very strong.

xii) The cost of obtaining financial accounting information is not expansible in relation to the attainment of basic accounting goals.

xiii) Inconsistent accounting policies and reporting practice make comparism of its performance.

5.2 CONCLUSION

The Nigeria business operation today is fast fermenting into a more nostril competitive environment, which calls for the action of corporate executive and businessman with the ability to more along with time.

Because of the unique role financial accounting information plays in this movement along with time. It is of important that the various method by which accounting information are relied be appropriately analyzed and considered in achieving goals. Basically for financial accounting information to be considered effective it must be objective relevant consistent, reliable timely understandable complete and free from bias.

This study therefore was carried out with the view of examine ascertaining assessing or evaluating the extent of reliance on financial accounting information for effective business and financial decision in corporate organization in Nigeria (a case study of UBA, Plc). At the end of this study answers were provided to some basic question such as:

1. How reliable is the level of information in financial statements
2. Whether the organization rely mainly on financial accounting information for making business and financial decision.
3. The role of effectiveness of financial accounting information in achieving organization or the bank objectives.
4. The cost of obtaining financial accounting information is relevant to the attainment of basic accounting goals.

5.3 RECOMMENDATIONS

Following the objective stated for this study can also for the fact that this study will be reduced to a mere fact finding tool. If recommendation are not made it became imperative that suggesting recommendation be made

The recommendations include;

1. The accounting policy adopted should be consistent so that users of financial accounting information can make reliable evaluation of a reporting enterprises.
2. Financial accounting information should be made available soon enough to useful in solving current problem and appraising the recent performance of the company.
3. The company should ensure that proper records are kept. These records should be simple and provide room for easy cross checking.
4. The accounting and reporting policies of the company should be in accordance with Lesal requirement and agreed ethical practices.
5. Qualified and experienced accountant should be employed by every business. Either on a full time or on a part time basis since it is obvious that financial accounting information in indispensable in making of business and financial decision.
6. The users of financial accounting include government, investors making, customers, suppliers, employees etc. These users rely on such information for business and economic decision. Therefore it is important that published statement from any organization should show a travel and far view of such business enterprises.

REFERENCES

Aspinall a. Muller. A.A. (1970) Chamber Encyclopedia London International Learning System Corporation Limited.

Anthony K.N. and Reace, O.S. (1975) Management Accounting Principles Homenlord, Richard D. Lowin Inc.

Matters Decree Lagos Federal Government Printers – Ementte Ltd (2003). Annual Statement and Report on Financial Affairs.

Garduff, D. (1984) Cartor's Advanced Account London, Pitman Publishing Ltd.

Havey M and Keer F. (1983) Financial Accounting Theory and Standards. London, Prentice Hall Inc.

Hill S. (1989) Managerial Economical: The Analysis of Business Decision, London, Macmillan Publisher Ltd.

Jermings A.R. (1990) Financial Accounting London and Reporting London Macmillan Publisher.

Liminack R. (1985) Financial Accounting London and Reporting London Macmillan Publisher.

London Back J.G. and Dominiak G.P. (1978) Managerial Accounting Delmot Kladswak Publishing Co. Ltd.

Odoh C.M. (1992) Element of Account, Enugu Odoh and Sons Nig. Ltd

Okeke, EN (1986) Management in Nigerian Conceptual Analysis of Cost as an Aid in Management Decision Making, Oweri, Fab Publishers.

Taylor H.A. and Shearing H. (1981) Financial and Cost Accounting London, Macdonald and Evans Ltd.

Tracy J.A. (1976) Fundamental of Financial Accounting, John Wiley and Son's Inc.

Institute of Chartered Accountants of Nigeria (ICAN) (1997) Students Regulation and Syllabuses. Lagos Debbey Printers Nigeria Accounting Standard Board (1997) Information Brochure in Araba Cinal Press.

QUESTIONNAIRE

SECTION A

1. Age: 20-30 years old ( ), 31-40 years old ( ), 41-50 years old ( ).
2. Gender: Male ( ), Female ( )
3. Marital Status: Single ( ), Married ( ), Divorced ( )
4. Educational Qualification: Literate ( ) Illiterate ( ) Other specify __
5. Ethnicity/Tribe: Yoruba ( ), Hausa ( ), Igbo ( ), Nupe ( ), Other specify

SECTION B

INSTRUCTION: Kindly tick (√) the box as it applies to you.

1. Does the company prepare annual financial statement? Yes [ ] No [ ]
2. If (a) above how would you rate the level of information given in the financial statement Yes [ ] No [ ]
3. Does the company rely mainly on financial accountings information for making business and financial decisions? Yes [ ] No [ ]
4. What is the source of your financial accounting information?
   Internal [ ] External [ ] Both [ ]
5. How would you rate the effectiveness of financial accounting information in achieving it objectives?
   Very strong [ ] Strong [ ] Weak [ ] Very weak [ ]