

# Corporate Financial Reporting and Investor's Confidence in some quoted Industrial Companies in Nigeria

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**Abstract:** Investors are confronted with the difficulties or issues of settling on a choice as far as deciding when to contribute, regardless of whether to contribute. An investor can reduce decision-related risk by using financial reporting information. The study aims to investigate the impact of corporate financial reporting on investors' confidence using some quoted industrial companies in Nigeria. The study used secondary data by adopting an ex-post factor design through the use of a purposive sampling technique to select ten (10) listed industrial companies from the Nigeria Group Exchange. The paper was analyzed using descriptive and panel regression analysis. The study result found that corporate financial reporting significantly affects investors' confidence (Adj.  $R^2 = 0.541$ ; F statistics = 4.73; p-value = 0.004). Audit firm size moderately affects the effect of corporate financial reporting on investor confidence in some listed industrial companies in Nigeria (Adj.  $R^2 = 0.579$ ; F statistic = 5.18, p-value = 0.001). Thus, the study recommended that investors maintain their current confidence level. Also, the investors, as well as the managers, can work on developing the legal framework for corporate financial reporting in light of the suggested framework being developed, and finally inspiring financial reporting, managerial, institutional and regulatory studies and research that lead to the best practices for meeting compliance obligations.

**Keywords:** Corporate Reporting, Financial Information, Financial Reporting, Investor's Confidence, and Regression Model.

## I. Introduction

Investors are confronted with the difficulties or issues of settling on a choice as far as deciding when to contribute, regardless of whether to contribute. An investor can reduce decision-related risk by using financial reporting information. Investors are much more interested in the financial performance of the company than they are in how attractive the company or its products are. This is because no investor would invest in a company that was not a going concern, and the financial performance can be determined by looking at the financial information the company provides (Amaraihu & Onodu 2018). Most businesses released damaging financial information for public consumption without realizing how it would affect them. Only with the assistance of a financial professional can healthy financial information be published or obtained.

One significant challenge in measuring investor confidence is that it is not directly observable as a latent variable. Prior research, however, used firm value to gauge investors' confidence. This is so because investors' confidence is closely related (Ley, Hashim, & Embong 2019). This implies that investor confidence directly affects the firm's value. Investors will value a company more highly if they have greater faith in its financial stability (Ogan & Adegbe 2022).

Despite the importance of corporate financial reporting on the investor's confidence, little research has considered the effect of corporate financial reporting on the investor's confidence in listed manufacturing companies (Ley et al., 2019; Ogan & Adegbe 2022, Akachukwu, Amaraihu & Benjamin 2018). Financial reporting information is a formal, comprehensive statement that details the business's financial operations. It includes all pertinent data presented in an easily understandable format to help users make informed decisions about investments, plans, performance evaluations, forecasts, and expected returns. Structured and simple-to-understand presentations of pertinent information are used. A company's financial position, performance, and changes in financial position are adequately described in relevant financial information, which is helpful to a wide range of users in making management and investment decisions. Government regulatory organizations, managers, financial institutions, directors, employees, potential investors, and shareholders are among the users of financial information.

The primary function of financial reporting is to provide relevant parties with data that can be used to help them make commercial and economic decisions. By being present in the economy, such information supports the competent operation of the capital and other markets. Many investors use the annual financial report to make decisions about the performance of the company. Any business organization that wants to grow must publish adequate, trustworthy, transparent, and fair financial reporting. Thus, the

study aims to investigate the impact of corporate financial reporting on investors' confidence using some quoted industrial companies in Nigeria. The specific objectives are:

- Analyse the impact of corporate financial reporting on investor's confidence using some quoted industrial companies in Nigeria, and
- To determine the moderating impact of Audit firm size on the impact of corporate financial reporting and investor confidence using some quoted industrial companies in Nigeria.

## II. Conceptual Review

### Corporate Financial Reporting

Corporate financial reporting is the process of producing corporate financial reports. These financial reports for corporations include an income statement, balance sheet, cash flow statement, statement of retained earnings, and an explanation of financial policies. Corporate financial reporting quality is typically used as a benchmark for corporate financial reporting. Corporate financial reporting quality describes how accurately and helpfully a company's corporate financial reporting, as measured over a specific time period, is presented to its users (Ogan & Adegbe, 2022). Corporate financial reporting provides users of financial information with relevant information on a company's financial position and performance, allowing them to make business and economic decisions. In this context, it is measured using equity value (EQST), income value (ICST), and cashflow value (CFST). It is considered as the independent variable or the explanatory variable.

### Investor's Confidence

Investor confidence, according to Ko (2017), is the willingness of investors to engage in the investment opportunities and associated intermediation channels available to them based on their risk and return perceptions. Success in the domestic and international capital markets depends on investor confidence. This suggests that investors' perceptions of and levels of confidence in the company and the stock market influence their decision to invest. Investor confidence is crucial because future financial needs may necessitate additional funding from both current and potential investors. Thus, the investor's confidence represents the share price and it is known as the dependent variable.

#### 2.1 Theoretical Framework

The signaling theory propounded by Michael Spence in 1973 is the most appropriate theory for this research topic, corporate financial reporting and investor confidence in some quoted industrial companies in Nigeria. Signaling theory helps to explain the behaviour of two parties when they have access to different information. It has been widely used in industrial companies and accounting firms which proposed that management may signal something about the firm through various aspects of financial information disclosure which can be viewed as a signal by investors. According to Dhar and Chhachharia's (2008) argument, managers use the signaling theory to issue bonus shares and stock splits, particularly in undervalued firms, to demonstrate their confidence in the company and increase the number of shareholders. As a result, the issuance of bonus shares indicates that a company is profitable and draws investment from shareholders. According to Mishra (2005), issuing bonus shares has a good signaling effect because it shows how well-regarded a company is. According to the signaling theory, financial statements can help a company increase its value. The theory is relevant because the greater the size of the company, the more investor confidence increases and is reflected in the increase in the value of the company.

#### 2.2 Empirical Review

The research of Ogan and Adegbe (2022) explained the impact of corporate financial reporting on investor's confidence. The research used Tobin's Q to measure investor's confidence and earnings management to measure corporate financial reporting using a dataset from 2011 to 2020. A sample size of ten listed manufacturing companies was used for the analysis. The result found that corporate financial reporting significantly influenced investors' confidence negatively. Similar to this research, Shahid and Abbas (2019) used evidence from Pakistan and India to investigate the effect of corporate governance on investor confidence. The study used a dataset from 2008 to 2017 and obtained a dataset from Karachi and Bombay Stock Exchanges using multiple regression analysis. The study, however, discovered that corporate governance impacted investor confidence on corporate investment decisions. Attarit (2018) worked on corporate governance and investor confidence on earning management using 2015 annual data. The findings indicated that companies with BIG4 have an impact on investor confidence, as do the highest shareholders' impact on earnings management and the percentage of institutional investors' influence on both earning management and investor confidence.

Hammond, Opoku, and Kwakwa (2022) used evidence from the listed banks in sub-Saharan Africa to investigate the relationship among corporate reporting, corporate governance, going concern and investor confidence using financial banks for the period of

2011 to 2020. The dataset was analyzed using the partial least square structural equation model and concluded that corporate reporting and governance directly affected investor confidence. Alduais, Alswalhah and Almasria (2023) on corporate governance and investors and investee companies. The findings show that only a few joint-stock companies, and not all businesses, engage in corporate governance. Marughu and Nwaobia (2020) used quoted deposit money banks in Nigeria to study on corporate governance and investors' decision. The study was able to determine that firm size and profitability of firms have a regulating influence on the volume of shares traded, while corporate governance affects the volume of shares traded.

Some researchers studied corporate governance and earnings management practices using post stock market crisis period in Bangladesh. The study used a datasets from 2011 to 2015 to analyze the proxies of corporate governance and the control variables (leverage and firm size) on earnings management. The study, thereby used panel regression analysis to discover that corporate governance quality is significantly related to earnings management practices. Using the same topic, Quoc Thinh and Tan (2019) used evidence from listed companies in ho chi minh stock exchange for the period 2013 to 2017. The study used 173 listed companies and discovered that the board size variable had the opposite impact on earnings management than the professional experience, which had a positive impact. In India, Chatterjee and Rakshit (2023) adopted panel regression and Fisher's probability test to examine the relationship between earnings management and corporate governance mechanisms. The study revealed a significant inverse relationship between earnings management and the proportion of independent directors on the board as well as board members' diligence.

A study on non-financial companies carried out by Dao (2021) explained corporate governance on firm performance and earnings management using a dataset collated between 2014 to 2016 in sixty (60) companies. A mixed result was found in the study by discovering that the control variable adopted in the study (leverage and profitability) positively influence earnings management while the proxies of corporate governance are insignificantly related with earnings management. The paper of Mangala (2019) used the same proxies as adopted in Dao (2021). The research used 2012 to 2013 and 2016 to 2017 datasets obtained from 500 index companies and used panel regression analysis to analyze the variables. The findings show that audit committee independence has a greater impact on limiting earnings management in high-profitability firms than it does in less profitable ones. Other researchers who have investigated corporate governance and earnings management include Singh, Aggarwal, Anand (2016), Hermiyetti and Manik (2013), Wahyudi, Setiany and Utami (2020), and Sehamong, Kumar, and Lohia (2019) used a concept from the large sample evidence from India, among others.

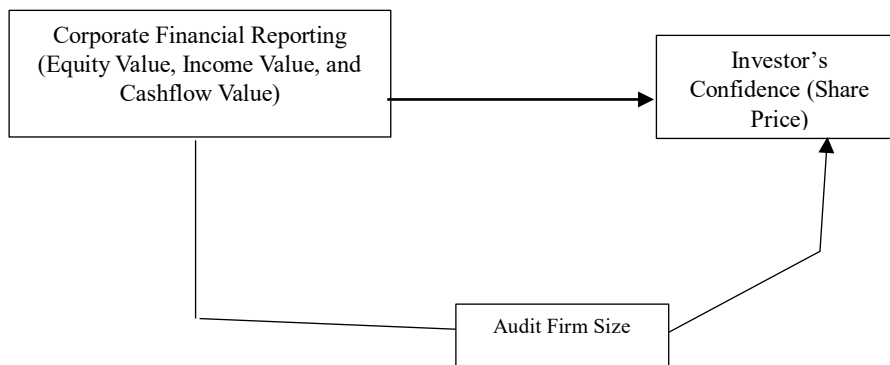
Researchers have considered also studied corporate financial reporting as both a dependent and independent variable. In the research of Chukwu and Nwabochi (2019) conducted in the Nigerian Insurance Industry. The research used audit committee characteristics as an independent variable to verify the dependent variable, the timeliness of corporate financial reporting. The study, however, concluded that audit committee characteristics affected the timeliness of corporate financial reporting. Similar to the research topic was the study of Aifuwa and Saidu (2020) conducted in Nigeria using the dataset from 116 listed firms for the period of 207 to 2018. The research used descriptive and inferential statistics of robust least squares regression and concluded audit committee attributes significantly affect the timeliness of corporate financial reporting. Other researchers who worked on the similar topic including Emeh and Appah (2013), Ozoanigno, Orjinta, and Ofor (2016), Eyenubo, Mohammed, and Ali (2017), Oussii and Boulila Taktak (2018), among others. Puasa, Salleh, and Ahmad (2014) used dataset from Malaysian publicly listed companies to analyze the study of audit committees and the timeliness of financial reporting. The study concluded that audit committee independence level and activity were significantly associated with the timeliness of financial reporting for the period.

Meanwhile, few researchers have considered corporate financial reporting and investor's confidence, an instance is the study of Ogan and Adegbe (2022) who measured corporate financial reporting as revenue in receivables index, gross margin index, asset quality index, sales growth index, and depreciation index while investors' confidence is measured using Tobin's Q. Others researchers used different proxies to determine corporate financial reporting and investor's confidence which is different from the proxies of corporate financial reporting adopted in the study and also the proxies used in measuring investor's confidence. The research of Ogan and Adegbe (2022) only considered the use of ten (10) manufacturing firms while this research considers the use of some quoted industrial companies in Nigeria which signifies a difference in the research studies.

### III. Methodology

The population comprised the Nigeria Group Exchange (NGX) industrial sectors through the use of *ex-post* research design. From the population, a purposive sampling technique was adopted and a sample of 10 listed industrial firms including Cutix, Dangote Cement, Lafarge Africa, Julius Berger, Academy Press, Studio Press, UAC of Nigeria, Red Star Express, Beta Glass Co, and Chellarams from the period of 2007 to 2021. In the research, investor's confidence is measured using Share price and corporate financial reporting is measured using equity statement, income statement and cash flow statement as shown in figure 1 below.

Figure 1: Researchers' conceptual Model



Source: Researchers' Conceptual Model, (2023)

In establishing the relationship between corporate financial reporting and investor's confidence in some listed industrial companies in Nigeria, the proxies of the variables are expressed as thus:

Table 3.1: Measurement of Variables and the Expected Outcome.

Variable	Acronyms	Description	Expected outcome
Dependent Variable			
Investor's confidence	IVCD	$IVCD = \frac{\text{Share Price}}{\text{Market Capitalization}}$ $= \frac{\text{Share Price}}{\text{Total Number of Outstanding Shares}}$	
Explanatory Variable			
Corporate Financial Reporting	CFRT		
Equity Value	EQST	$EQST = \text{Assets} - \text{Liabilities}$	$\beta > 0$
Income Value	ICST	$ICST = \text{Revenue} - \text{Expenses}$	$\beta > 0$
Cash Flow Value	CFST	$CFST = \frac{\text{Free Cash Flow}}{\text{Net Operating Cash Flow}}$	$\beta > 0$
Control Variable			
Audit Firm Size	ADFS	$ADFS = \log \text{ of headcounts}$	$\beta > 0$

Source: Researchers' Compilation, 2023.

Meanwhile, the model specification showing the relationship between corporate financial reporting and investor's confidence is expressed as:

Model 1: Corporate financial reporting and investor's confidence

$$IVCD_{i,t} = \beta_0 + \beta_1 EQST_{1i,t} + \beta_2 ICST_{2i,t} + \beta_3 CFST_{3i,t} + \varepsilon_{i,t} \dots \dots \dots (1)$$

Model 2: Audit firm size, corporate financial reporting and investor's confidence

$$IVCD_{i,t} = \beta_0 + \beta_1 EQST_{1i,t} + \beta_2 ICST_{2i,t} + \beta_3 CFST_{3i,t} * \beta_4 ADFS_{4i,t} + \varepsilon_{i,t} \dots \dots \dots (2)$$

Where,  $\beta_0$  represents constant,  $\beta_1 - \beta_4$  represents the coefficients of the proxies of corporate financial reporting and the control variable (audit firm size),  $\varepsilon$  is the error term/random error,  $i$  is the number of industrial companies adopted in the study (that is, 1, 2, 3, ..., 10), and  $t$  represents the period of years considered in the study, that is 2007 to 2021.

The dataset was balanced panel data with 150 observations in total. The dataset was collated from the Nigeria Group Exchange annual reports published on the official website of each industrial firms. The dataset was analysed using panel regression analysis (Fixed Effect Model, Random Effect Model, and Pooled Ordinary Least Square Regression Model) through STATA software, version 17. Before proceeding with the panel regression analysis, a diagnostic regression analysis was carried out using Pearson’s Product Moment Correlation Coefficient, Variance Inflation factor, Tolerance Level, Hausman test, Testparm, Heteroscedasticity test, Autocorrelation test, and serial correlation test.

#### IV. Results

The basic characteristics of the explanatory variable, known as the corporate financial reporting and the dependent variable, known as the investor’s confidence show data from the ten (10) industrial companies for a period of fifteen (15) years, 2007 – 2021.

As displayed in Table 2, the data of EQST shows an average mean value of 6.541 with a maximum amount of 24.631 and the minimum amount of -21.056. The next proxy of corporate financial reporting is ICST showing an average value of 18.630, a standard deviation of 3.670 with minimum and maximum values of -104.056 and 108.671 respectively. The last proxy of corporate financial reporting is CFST revealing an average value of 4.311, a minimum value of 1.640 and the maximum value of 133.667. Among the proxies of corporate financial reporting, ICST shows the highest mean value when compared with other proxies of corporate financial reporting. The moderating variable, represented by ADFS shows the mean value of 4.541 with the standard deviation of 0.627. The variable also shows the minimum and the maximum value of 0.000 and 6.000 as displayed in the result. In addition, the result of IVCD shows the mean value of 85.210 with the standard deviation of 2.643, the minimum value of 4.740 and the maximum value of 1143.340.

Table 2: Descriptive Statistics

Variables	EQST	ICST	CFST	ADFS	IVCD
Mean	6.541	18.630	4.311	4.541	85.210
Std. dev	2.034	3.670	5.643	0.627	2.643
Minimum	-21.056	-104.056	1.640	0.000	4.740
Maximum	24.631	108.671	133.667	6.000	1143.340

Source: Researchers’ Compilation, 2023

**\*\*\* Number of Observations = 150.**

Proceeding with the analysis, the result of the correlation matrix displayed gives information about the level of the independence of the variables and the multicollinearity test. It is clearly seen that all the proxies of corporate financial reporting and the moderating variable (ADFS) have weak positive relationship, indicating that the proxies of corporate financial reporting are independence of each other. The result indicated that EQST, ICST, CFST, ADFS would look good. Hence, corporate financial reporting could increase the level of IVCD in some listed industrial companies in Nigeria. In general, the result with no value higher than 0.75, according to Baltagi, (2013) revealed no problem of multicollinearity which is also confirmed by the result of VIF and 1/VIF (tolerance level) displayed in Table 3 below.

Table 3: Correlation Matrix

	EQST	ICST	CFST	ADFS	VIF	1/VIF
EQST	1.000				0.654	1.529
ICST	0.243	1.000			0.731	1.368
CFST	0.187	0.109	1.000		0.541	1.848
ADFS	0.291	0.384	0.365	1.000	0.821	1.218

Source: Researcher’s Compilation, 2023.

### 4.1 Hypotheses

Analysis of this study was explained based on the ten (10) industrial companies listed on the Nigeria Group Exchange (NGX) for a period of fifteen (15) years. Necessary information was collected from reliable sources, processed and analysed using the specified models above. The study considered EQST, ICST, and CFST as the explanatory variable, ADFS as the control variables, and IVCD measured with the share price. Thus, two different hypotheses were formulated as:

H<sub>0</sub>1 (Null Hypothesis): Corporate financial reporting insignificantly impacts investor’s confidence using some quoted industrial companies in Nigeria.

H<sub>0</sub>2 (Null Hypothesis): Firm size has no significant impact on the impact of corporate financial reporting and investor’s confidence using quoted industrial companies in Nigeria.

The first hypothesis is the baseline for the model of corporate financial reporting on investor’s confidence using some quoted industrial companies in Nigeria. Hausman test is the most appropriate technique used to choose between fixed effect and random effect models, indicating it is a diagnostic test. The result shows that the fixed effect model is appropriate and consistent for the analysis since the p-value (0.015) is less than 0.05. Since the fixed effect model is appropriate for the Hausman test, there is a need to compare the result with the Pooled OLS regression analysis using Testparm. From the result displayed in Table 4, it is shown that fixed effect model for the baseline model. In the same manner, the result of the Hausman test of model two which uses ADFS as a moderating variable, showed that Pooled OLS regression analysis is consistent and appropriate for the analysis since the p-value of the testparm showed a value (0.087) greater than 0.05. In addition to the diagnostic test, model one and two show that no residuals vary over time and the models have no serial correlation issues.

As displayed in Table 4, model one is estimated using fixed effect model and model two is = estimated with cluster standard errors given as thus:

$$IVCD_{it} = -31.761 - 1.865EQST_{1it} + 0.311ICST_{2it} + 0.254CFST_{3it} \quad (Model 1)$$

$$IVCD_{it} = 5.871 + 0.056EQST_{1it} + 0.551ICST_{2it} + 0.651CFST_{3it} + 0.313ADFS_{4it} \quad (Model 2)$$

Table 4: Test of Hypotheses

	Fixed Effect Model				Pooled OLS with Cluster Standard Errors			
	Coeff	Std. Error	T-Stat	P-value	Coeff	Std. Error	T-Stat	P-value
Constant	-31.761	15.831	-2.816	0.092	5.871	1.982	0.718	0.043
EQST	-1.865	1.096	-1.962	0.071	0.056	0.651	1.543	0.054
ICST	0.311	0.222	1.614	0.011	0.551	1.761	0.985	0.000
CFST	0.254	0.075	1.49	0.041	0.651	1.234	0.861	0.005
ADFS	-	-	-	-	0.313	0.191	2.145	0.014
Adj. R square	0.541				0.579			
Hausman Test	chi <sup>2</sup> <sub>(3)</sub> = 15.96 (0.015)				chi <sup>2</sup> <sub>(3)</sub> = 7.31 (0.076)			
F Statistics	F (3, 146) = 4.73 (0.004)				F (4, 145) = 5.18 (0.001)			
Testparm	F (14, 135) = 2.17 (0.065)				F (14, 135) = 2.59 (0.087)			
Heteroscedasticity Test	Chi2(1) = 1.86 (0.172)				Chi2(1) = 2.21 (0.068)			
Serial Correlation Test	F (1, 13) 1.432 (0.071)				F (1, 13) = 1.24 (0.116)			

Source: Researchers’ Compilation, 2023.

In model one which explains the first hypothesis, the coefficient value of the EQST ( $\beta_1 = -1.865$ ); ICST ( $\beta_2 = 0.311$ ), and CFST ( $\beta_3 = 0.254$ ) show that EQST negatively affect IVCD while ICST and CFST positively affect IVCD. The result reveals that a unit increase in EQST will result to 1.865 percent decrease in IVCD while the magnitude of the effect of ICST (0.311 percent) and CFST (0.254 percent) increase IVCD respectively. 54.1% of corporate financial reporting identifies the percentage of variance in the target field that is explained by investor's confidence while the remaining 45.9% of the adjusted r square are loss to either error terms or factors not considered in the model. Meanwhile, at the level of 0.05, the null hypothesis is rejected at p-value = 0.004, and thereby concluded that corporate financial reporting significantly affects investor's confidence of some quoted industrial companies in Nigeria with the F statistics of 4.73.

The audit firm size is used as moderating variable with corporate financial reporting and investor's confidence which represents model two of the research study. From the result, all the proxies of corporate financial reporting positively affect IVCD showing the coefficient value of EQST ( $\beta_1 = 0.056$ ), ICST ( $\beta_2 = 0.551$ ), CFST ( $\beta_3 = 0.651$ ), and ADFS ( $\beta^4 = 0.313$ ). The paper shows that unit increase in EQST, ICST, CFST, and ADFS will result to an increase in IVCD. Also, the 57.9% of corporate financial reporting and audit firm size explained the percentage of fluctuation in the target field that is explained by investor's confidence. The remaining part, 42.1% changes in IVCD might be caused by factors not considered or loss to the error terms. Hence, the model showed that audit firm size moderately affected the effect of corporate financial reporting and investor's confidence in some quoted industrial companies in Nigeria. This is as a result of the p-value < 0.05 showing the F statistics of 5.18. Thus, the null hypothesis is rejected.

## V. Discussion of Findings

Results from the two models were consistent for two of the three proxies of corporate financial reporting including ICST and CFST, revealing positive significant effect with IVCD while EQST showed mixed result. In model one, EQST negatively affected IVCD and Model two showed that EQST positively affected IVCD. ADFS which is used as a moderating variable, showed positive effect and it significant an effect on IVCD. The result of model one which found fixed effect model more appropriate showed the adjusted r square of 0.541 and model two discovered that Pooled OLS regression analysis is appropriate with the adjusted r square of 0.579.

Between the models, model 2 which has the highest adjusted r square revealed corrected goodness of fit or model accuracy measure for linear models. Thus, model 2 is a good fitness for the data and it is more accurate. Proceeding with the discussion, hypothesis one is rejected at p-value < 0.05 as well as hypothesis two is also rejected at p-value < 0.05 (5% significance level). Based on these results, the study concluded that corporate financial reporting significantly affected the investor's confidence in some quoted industrial companies in Nigeria. Following the findings, the research of Ogan and Adegbe which found that corporate financial reporting significantly affected the investor's confidence in some listed manufacturing companies is consistent with this research findings. Studies which found significant effect and support the research findings include the research of Shahid and Abbas (2019) and it found that corporate governance impacted the investor confidence on corporate investment decisions. The findings of Opoku and Kwakwa (2022) was also in line with the research findings which discovered that corporate reporting and governance directly affected the investor confidence. Marughu and Nwaobia (2020) revealed that corporate governance affected the volume of shares traded. Other studies which found a significant effect and were in corroboration with the research findings include Quoc et al (2019), Chatterjee and Rakshit (2023), Singh et al (2016), Wahyudi et al (2020), and Sehaming et al (2019), among others.

Meanwhile, the findings of Dao, (2021) which was on the effect of corporate governance, firm performance and earnings management and it showed inconsistent results. This indicated that corporate governance insignificantly affected firm performance and earnings management which is not in line with the research findings. Thus, different researchers who worked on the studies related to corporate financial reporting and investor's confidence found mixed result of both positively significant effect and negatively significant effect.

## VI. Conclusion and Recommendations

The paper has shown that corporate financial reporting significantly affected investor's confidence in some quoted industrial companies in Nigeria. The three proxies of corporate financial reporting and audit firm size showed both positive and negative effect on investor's confidence. Two of the three proxies of corporate financial reporting include ICST and CFST as well as ADFS positively affected investor's confidence while EQST negatively and positively affected investor's confidence for model one and model two respectively. The two models considered in the paper showed similar result and consistent. The research study found that corporate financial reporting has a significant effect on investor's confidence in some quoted industrial companies in Nigeria. Thus, the study recommended that investors can maintain their current level of confidence. Also, the investors as well as the managers can work on developing the legal framework for corporate financial reporting in light of the suggested framework being developed, and finally inspiring financial reporting, managerial, institutional and regulatory studies and research that lead to the best practices for meeting compliance obligations.

### Suggestions for Further Studies

The paper is limited to ten (10) industrial companies in Nigeria. The proxy used for investor's confidence is limited to one, that is share price. Further analysis can be carried out on a comparative study on financial and non-financial companies in Nigeria.

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