

Level of Segment Information Disclosure in the Annual Financial Reports and its Affecting Factors

"An Applied Study in the Jordanian Public Shareholding Companies"

Prepared by

Amer Abdulkarim Ibrahim Hajjaj

Supervisor

Prof. Inaam Mohsen Al – Zuwalef

Abstract

The objective of this study is to indicate the level of disclosure of Segment information in the annual financial reports of Jordanian public shareholding companies. In addition to the impact of some of the characteristics of the company represented by the sector to which the company belongs, the age of listing of the company in the financial market, the rate of growth of the company, the financial leverage and the volatility of earnings on the level on disclosure of Segment information in the annual financial reports of Jordanian public shareholding companies. The study community represents all Jordanian public shareholding companies listed on the Amman stock exchange. A sample of 105 companies was selected in three sectors: industrial, service and financial. The study sample represents 42.5% of the study population. A number of statistical methods were used, such as arithmetical averages, standard deviations and multiple and simple regression analysis.

The study concluded that the level of general disclosure of Segment information in the annual financial reports of Jordanian public shareholding companies was very poor. The results of the study also showed a statistically significant impact of the characteristics of the company combined on the level of segment information disclosure. As well as a statistically significant effect for each of the following characteristics (separately) on the level of disclosure mentioned: the type of sector to which the company belongs, the age of listing in the financial market and the rate of growth, while there was no statistically significant effect of the financial leverage and the volatility of earnings (Individually) on the level of disclosure of Segment information.

The study presented a number of recommendations, most notably: the necessity of activating the role of the concerned authorities in supervising. Work on the supervision of the Jordanian public shareholding companies by issuing mandatory instructions to disclose the Segment information in accordance with IFRs 8. Give Segment information disclosure more attention by companies' management and work hard to improve its level of Segment information disclosure in the annual financial reports. The importance of the perception at the existence of a relationship between the characteristics of the company and the level of disclosure segment information in the annual financial reports.