ACCOUNTING INFORMATION AND DECISION MAKING IN

SELECTED INTERNATIONAL BANKS IN

KAMPALA, UGANDA

By

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DECLARATION

"This thesis is my original work and has not been presented for a degree or any other academic award in any university or institution of learning".

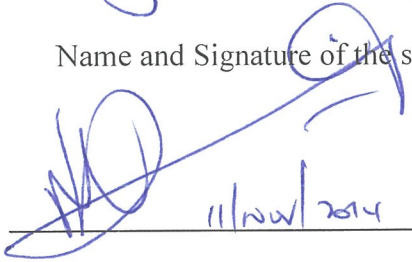Mohamed Ahmed Elsheikh Omer

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APPROVAL

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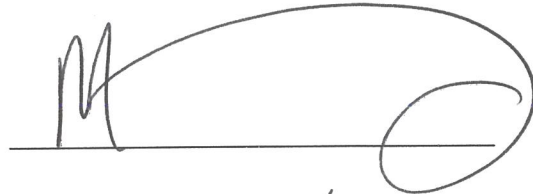_____
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DEDICATION

To spirit of my father who was encouraging me to qualify myself

To my mother who gives my life meaningful

To my wife who makes my life nice

To brothers and friends

ACKNOWLEDGEMENT

TABLE OF CONTENTS

CHAPTER TWO

LIST OF TABLES

ABSTRACT

1. The study was motivated by the need to determine relationship between accounting information and decision making in the selected International banks in Kampala, Uganda. The study was guided by four objectives: 1) To determine the relationship between accounting information completeness and financing decision in selected International Banks in Kampala,

    2)To determine the relationship between accounting information relevance and financing decision in selected International Banks in Kampala,

    3)To establish the relationship between accounting information authenticity and financing decision in selected International Banks in Kampala, and

    4)To determine the relationship between accounting information accessibility and financing decision in selected International Banks in Kampala. The researcher used descriptive co relational research design and the main instrument of data collection was questionnaire.

The target population was comprised of chief accountants, accountants, auditors and managers from Tropical Bank, Equity bank, Stanbic bank and Cairo Bank. It is estimated that the total population is 141. Data was analyzed using frequencies and percentages, descriptive means and standard deviation. The findings indicate that there is a srong positive relationship between accounting information and decision making . The researcher recommended that to enhance Accounting information of International Banks in Kampala they should emphasize more on autonomy of International Banks in terms of authenticity, completeness, relevance and accessibility of accounting information. The study also recommended these banks to be transparent while disclosing financial statements. And it also recommended managers to decrease dependence on factors like man intuition when they make business decisions.

CHAPTER ONE

INTRODUCTION

1.0 Introduction

Because decision making about anything is based on information, there may be many people think for the first glance that it is an axiomatic to find a relationship between accounting information and decision making. But it is not like that for these reasons:

There are some scholars devalued the role of accounting information in making decision. Ball and Brown (1968) and Oyerinde D.T. (2009) argued that recent empirical studies explored that Accounting Information in published financial statements lost their relevance over the period of time. In United Kingdom, it has been found that the financial statement was considered as the least effective means of communicating information (Guthrie J., 2007) and (Perera & Thrikawla, 2010).

Many companies and business institutions provide distorted financial statements for many purposes such as reflecting strong financial position when they need to get loans from others or reflect less profit when they need to evade taxes. Those types of enterprises after long time of committing financial statement distortion may be confused by those contrasting statements. Therefore, it is not easy to claim that there is a relationship between accounting information and decision making in those cases.

Also there is a problem about authenticity and accuracy about accounting information because of lack of accounting knowledge, lack of skill and lack of experience. All these deficits are expected to be there. so for all these reasons I think it is important to check the relationship between accounting information and decision making.

The problem about authenticity partially may due to intentional fraud or distortion. This problem is worldwide as Yu Liu (2014) said "Nowadays, accounting distortion has become an urgent problem awaiting solutions not only

in China but also all around the world. The progress of the time and the development of society lead to the fast development of economy in China. Yet the rapid development of economy also brings all kinds of problems. Information distortion is one of these problems" (Yu Liu, 2014).

In this chapter the researcher gives historical background about the banks under study nationally and internationally. Then he talks about the theoretical perspective upon which the study stands. Also he gives full idea about the conceptual and contextual perspective of the study.

1.1Background of the study

1.1.1 Historical perspective

The Bank sector in third world is related to the era of European colonization and after the countries in the region gained independence, the sector was essentially composed of state-owned banks and a few major banks of the former colonial powers.(Derreumaux, 2013).

According to a research report "Centre for Research on Multinational Corporation (2010) Uganda's banking sector has evolved from the first commercial bank established in 1906 – the National Bank of India which later became the Grindlays Bank and is now the Stanbic Bank.

The foreign banks were dominating the bank sector, which was the beginning of international banks in Uganda. Before the country's independence in 1962, the banking sector was dominated mainly by foreign owned commercial banks (Beck and Hesse, 2006).

There are many international banks in Uganda such as Cairo International Bank, Tropical bank, Equity Bank and Centenary Bank. But here I am going to talk about the first two banks "Cairo Bank, Tropical bank, Equity bank and Stanpic bank" as chosen sample for the study. I think study on these four banks as representative of all existing banks can give us suitable idea about what we need

2

as all these banks are working on same environment, regulations and almost similar policies

Cairo International Bank (CIB)

Cairo International Bank is a joint venture between several Egyptian banks and businesses, including: Banque Du Caire, Bank of Alexandria, National Bank of Egypt, Banque Misr and Kato Aromatics SAE. Kato Aromatics SAE is an Egyptian Company owned by Dr. Ibrahim Kamel, dealing in several businesses worldwide including developing an industrial park in Uganda "Shareholders of Cairo International Bank". Cairo International Bank. Retrieved 1 May 2014.

Cairo International Bank – Uganda is a commercial bank in Uganda. It is one of the financial institutions licensed by Bank of Uganda, the national banking regulator. According to Cairo International Bank archive, it began operations in 1995, after receiving a commercial banking license from the Bank of Uganda.

In December 2011 Cairo International Bank was a small retail bank, with total assets valued at approximately US$30 million. This asset valuation represents less than 1% of all bank assets in Uganda and ranks Cairo International Bank as the 20th largest commercial bank in Uganda, by assets, out of 23 the licensed commercial banks in the country at that time (Asset Allocation Among Ugandan Banks)

(Branches of Cairo International Bank". Cairo International Bank. Retrieved 1 May 2014)

Tropical Bank according to Uganda Institute of Bankers was established in 1973 as Libyan Arab Uganda Bank for Foreign Trade & Development. In 1994, the name was changed to Tropical Africa Bank Limited and in 2006 rebranded to Tropical bank. The objective and mission remained the same mainly to foster economic development in Uganda.

Tropical Bank Limited has been carrying out commercial banking operations in Uganda for the last 35 years having been established in 1973 as the Libyan Arab Uganda Bank for Foreign Trade and Development under the joint ownership of the Government of Uganda represented by the Ministry of Finance and the Libyan Peoples Jamahiriya represented by the Libyan Foreign Bank.

In 2011 Bank of Uganda handed over control of the bank following a UN Security Council freeze on the Libyan assets after Libya suffered severe political unrest (XINHUA, Africa revew news paper, Wednesday, March 7 2012). The bank's total assets have grown to Shs 215bn from Shs 192bn in 2012 and 2011 respectively.

99.7% of the share capital of Tropical Bank is owned by the Government of Libya through the Libyan Foreign Bank. The remaining 0.3% is owned by the Government of Uganda through the Ministry of Finance and Economic Development (Sanya Samuel, new vision 6 March 2012).

As of May 2014 and according to the (List of Tropical Bank Branches". Tropical Bank. Retrieved 4 May 2014) Tropical Bank has a network of branches in the Central and Eastern regions of Uganda. The bank had plans to open branches in neighboring countries in East Africa, although those plans were put on hold.

Equity Bank Group is a financial services organization in East Africa. The Group's headquarters are located in Nairobi, Kenya, with subsidiaries in Kenya, Uganda, South Sudan, Rwanda and Tanzania.

Equity Bank was founded as Equity Building Society (EBS) in October 1984 in Kenya and was originally a provider of mortgage financing for the majority of customers who fell into the low income population. While its sense of purpose was strong, its operations management was not. The result was that, by 1993,

54% of its loans were non-performing, and it had accumulated losses of KSh 33million. Equity was declared insolvent by the Central Bank of Kenya (CBK) providing a one-year window to turn the company around.

In 1994, Equity Building Society began a renewal. This renewal was led by James Mwangi who reaffirmed the company's basic mission to the poorer people in Kenya, but brought creative, disciplined management alongside his inspirational leadership (John Ratichek, 2011).

In June 2008, the bank was voted by (Euromoney) awards for excellence as the best bank in Kenya in June 2008. In Kenya, Equity Bank emerged the overall best bank in Kenya at the Renaissance Capital Bank awards in August 2008 and was cited locally as the only stock that returned positive shareholder value during the year 2008 at the Nairobi Stock Exchange (Equity Bank Group Crosslisted on the USE on June 18, 2009)

The bank was named as the "Best Performing Company in Africa" during the annual African Investor Index Awards held 21 September 2009 in New York City (Kulabako Faridah, 2014).

Shareholder's equity was valued at about US$421 million (KES:34.3 billion), in December 2011.(December 2011 Audited Financial Report for Group)

As of March 2014, Equity Bank Group is a large financial services organization in East Africa, with an asset base valued at over US$3.45 billion (KES:295 billion), with a total customer base in excess of 8.7 million, in the region the group serves (Kangethe & Kennedy, 17 April 2014).

Equity Bank (Uganda) was created in 2008 when the Equity Bank Group purchased Uganda Microfinance Limited, a Tier II, Ugandan microfinance

company for an all-share price valued at US$27 million (Mwaura & Helen, 18 April 2008). Equity Bank (Uganda) launched under its new brand on March 30, 2009 (Nicoline, van Slingelandt (7 April 2009)

As of December 2011, Equity Bank (Uganda) had a customer base of approximately 500,000 and employed over 550 people. As of April 2014, the bank has about 39 branches all over Uganda including about 14 branches in the capital city Kamoala (Newvision, Archive (28 May 2009).

Stanbic Bank

The Stabic bank is the largest commercial bank in the country, by assets, with an estimated asset valuation of over US$1.3 billion (UGX:3.24 trillion), accounting for approximately 20.5% of the total bank assets in Uganda, as of December 2013. At that time shareholders' equity was valued at approximately US$163 million (UGX:405.3 billion) (Audited 31 December 2013 Financial Statement). Stanbic Bank Uganda Limited). At that time, SBU also had the largest branch network in the country, accounting for about 18% of the bank branches in Uganda (Overview of Stanbic Bank Uganda Limited, Uganda Securities Exchange. Retrieved 16 April 2014)

Stanbic Bank (Uganda) Limited is subsidiary of the Standard Bank Group, an International bank with headquarters in Johannesburg, South Africa with branches in 18 African countries and affiliates in 21 other countries outside Africa. Standard Bank employs over 40,000 individuals worldwide, serving customers through more than 1,000 points of service. Its asset base is in excess of US$174 billion. Stanbic Bank (Uganda) Limited is listed on the Uganda Securities Exchange (USE), where it trades under the symbol SBU. As of February 2009, it is one of the few Ugandan commercial banks with Internet banking availability.

The bank was founded in Uganda as the National Bank of India in 1906. After several name changes, it became Grindlays Bank. In 1991, Standard Bank bought the Grindlays Bank network in Africa. The new owners renamed the bank Stanbic Bank (Uganda) Limited. Stanbic Bank (Uganda) Limited is licensed as a merchant banker, stockbroker and financial adviser by the Capital Markets Authority, which licensed the Uganda Securities Exchange in 1997.

In February 2002, Standard Bank acquired 90% shareholding in Uganda Commercial Bank, a government-owned retail banking operation with sixty-five branches(Business, News (17 October 2001). "Uganda's Largest Bank For Sale". BBC News. Retrieved 16 April 2014). The new owners merged their new acquisition with their existing *Stanbic Bank (Uganda) Limited* to form Uganda's largest commercial bank by assets and branch network.("History of Stanbic Bank (Uganda) Limited". Stanbic Bank Uganda Limited. Retrieved 16 April 2014.) In November 2005, the Government of Uganda divested its ownership in Stanbic Bank (Uganda) by listing its shares on the Uganda Securities Exchange. Standard Bank also floated 10% of its shareholding at the same time, reducing their ownership to 80%.(Herbling, David (16 April 2014). "Stanbic Bank Uganda Raises Dividend Despite Net Profit Drop". Business Daily Africa. Retrieved 16 April 2014.)

As of April 2014, Stanbic Bank Uganda has a branch network of over 100 branches in all four regions of the country. Its branch network is the largest of all commercial banks in Uganda. At that time, it maintained 193 networked ATMs. ("Branches of Stanbic Bank Uganda Limited – Stanbic bank archive". Retrieved 16 July 2014)

1.1.2 Theoretical perspective

This study is based on the agency theory that developed by Berle & Means in 1932. In the modern corporation, in which share ownership is widely held, managerial actions depart from those required to maximize shareholder returns (Berle and Means 1932; Pratt and Zeckhauser 1985). An agency relationship is defined as one in which one or more persons (the principal(s)) engages another person (the agent) to perform some service on their behaves which involves delegating some decision-making authority to the agent (Jensen and Meckling, 1976; Ross, 1973). Although the two theories are dealing with decision-making, the study adopted the agency theory for the reason that it identifies the relationship between owners as principals and the managers as agents, also it considers the contrast in the attitudes of the two sides in times of making decisions.

1.1.3 Conceptual perspective

The independent variable of this study is "accounting information", while the dependent variable is the decision making.

Accounting information

Accounting information is any data or information obtained from the accounting system of a firm whether contained in a financial statement, a special report, or verbal statement (William, 1968). However, for the purpose of this research, accounting information refers to written information contained in a complete or partial financial report – financial position statement, income statement, or fund flow statement.

AIS provide valuable information to a range of external users and internal users of accounting data (Romney and Steinbart, 2003). It provides financial information

about one's business to the internal and external users, such as managers, investors and others. It is sometimes referred to as means to an end, with the ending being the decision that is helped by the availability of accounting information (Arneld and Hope 1990).

Financial Statements may consist of different type of information which can be named as Financial Information/Accounting Information and Non Financial Information/Non Accounting Information. Accounting Information is information which describes an account for a utility. It processes financial transactions to provide external reporting to outside parties such as to stockholders, investors, creditors, and government agencies etc (Hossain *et al.*, 2004.)

Users of accounting information are different in their understanding and using for the (AI), for instance, managers have different purpose from that of the shareholders.

Vatter distinguished the information needs of managers from those of external shareholders and emphasized that it was preferable to get less precise data to managers quickly than complete information too late to influence decision-making (Paul M. Collier, 2003).

Qualitative Characteristics of Accounting Information

According to Kieso D. *et al*, (2011), the following are the Qualitative characteristics of accounting information

Relevance

For the information in the financial statements to be of any value it needs to be relevant for the user. The framework defines relevance as if the information has an effect on the user's decision and facilitates the assessment of past, current and future events, or by confirming or correcting previous assessments. Information about financial position and past performance is used for future forecast of

financial position and result used by the users to determine dividend, share price development, salary and the company's ability to fulfill their commitments (Framework pt 26-28)

Another aspect of relevance is timeliness; the information needs to be up to date. If the financial report contains highly reliable information, but therefore also old information, it might not be relevant for the reader (Framework pt 43)

Predictive value

Accounting information has the ability to achieve the benefit from using it in the predictive decision and expectation about the future.

According to Public Sector Accounting Standards Board of the Australian Accounting Research Foundation and the Accounting Standards Review Board "The predictive and confirmatory roles of financial information are inter-related. For example, financial information about the current level and structure of asset holdings will have value to users when they endeavor to assess an entity's ability to take advantage of opportunities in the market place".

Confirmatory value

Relevant information also helps users confirm or correct prior expectations.

According to Public Sector Accounting Standards Board of the Australian Accounting Research Foundation and the Accounting Standards Review Board "confirmatory role in respect of past predictions about the way in which the entity would be structured and about the outcome of planned operations. Analysis of the relationship between predictions and outcomes will assist users to identify the range of variables they ought to be considering when making predictions".

Faithful representation

Faithful representation is the second fundamental quality that makes accounting information useful for decision making. Faithful representation and related ingredients of this fundamental quality include.

According to Public Sector Accounting Standards Board of the Australian Accounting Research Foundation and the Accounting Standards Review Board" if there is faithful representation of information, including the uncertainties surrounding it, it may be possible for it to be regarded as being reliable.

Completeness

All information that is necessary for faithful representation is provided, and accounting information must be presented without omission of essential information.

According to IASB Framework for the Preparation and Presentation of Financial Statements "a depiction of an economic phenomenon is complete if it includes all information that is necessary for faithful representation of the economic phenomena that it purports to represent. An omission can cause information to be false or misleading and thus not helpful to the users of financial reports".

Neutrality

The company cannot select information to favor one set of interested parties over another, not influence the process of obtaining the information and preparation the information in specific form to serve specific person without the other. Unbiased information must be the overriding consideration.

IASB Framework for the Preparation and Presentation of Financial Statements stated: "This is the absence of bias intended to attain a predetermined result or to induce a particular behavior. Neutral information is free from bias so that it faithfully represents the economic phenomena that it purports to represent.

Neutral information does not color the image it communicates to influence behavior in

a particular direction".

Free from error

An information item that is free from error will be a more accurate representation of a financial item. However, Faithful representation does not imply total freedom from error this because most financial reporting measures involve estimates of various types that incorporate management's judgment.

Enhancing Qualities

Enhancing qualitative characteristics are complementary to the fundamental qualitative characteristics. These characteristics distinguish more useful information from less useful information. Enhancing characteristics include;

Comparability

Information that measured and reported in a similar manner for different companies is considered comparable, comparability enable users to identify the real similarities and differences in economic events between companies and between the fiscal period and other at the same economic entity and with other economic entities at the same activity.

Verifiability

Verifiability occurs when independent measures, using the same method, obtain similar result, and access to the same results by more than one person, if we not use the same techniques and methods that are used to measure the accounting information.

Timeliness

Timeliness means having information available to decision makers before it loses its capacity to influence decision; accounting information must be available at the right time for the decision making process.

Understandability

Understandability is enhanced when information is classified, characterized and presented clearly and concisely, and it is the quality of information that lets reasonable informed users sees its significance.

Users of accounting information

According to Needles, Jr. & Powers (2001) Outside Users with Direct Financial Interest are

1- Investors
2- Creditors

While People, Organizations, and Agencies with an Indirect Financial Interest are

1- Tax Authorities.

2- Regulatory Agencies.

3- Labor Unions.

4- Customers.

5- Economic Planners.

Resources of accounting information

Financial statements form part of the process of financial reporting. The main Components of a complete set of financial statements are listed below (IAS 1 (revised), 2007):

- A statement of financial position as at the end of the period (i.e. balance sheet);

- A statement of comprehensive income for the period (i.e. income statement);

- A statement of changes in equity for the period;

- A statement of cash flows for the period;

- Notes, comprising a summary of significant accounting policies and other Explanatory information. Many entities also present

Decision making

Different scholars have raised many definitions for the term Decision and among them being Kanaan, (1998), who defines a decision as the tool that used by management to enable it to perform its functions and complete all activities that assigned to it.

According to El- Amri, (2011) a decision is the way to move your business to achieve all tasks and goals and the management must put useful factors and options, and determine their importance and priority in right way.

The decision making is the process of choosing a suitable option from available alternatives and taking action basing on enough information to achieve a certain objective. That what is said by Wang *et al*, (2004); Wilson & Keil (2001) "Decision making is a process that chooses a preferred option or a course of actions from among a set of alternatives on the basis of given criteria or strategies".

Decision – making involves the selection of the best course of action (Emmanuel *et al.*, 1990). In order to decide on the best option, management has to judge the effectiveness of various alternatives. Therefore they need some guidance that is usually provided in form of data and information (Bierman, *et al.*, 1986). For this

reason they often rely on financial and economic information gathered by management accounting.

Therefore, good decisions are important and ensure the wellbeing and also the survival of an organization. Decisions have to be made based on known information. Lack of information will lead to wrong decision making. Therefore, accounting information is paramount to effective decision making in a business. This study will seek to investigate the relationship between these variables and draw conclusions showing the effect of accounting information to decision making.

Decision theories can be categorized into two paradigms: the *descriptive* and *normative* theories. The former is based on empirical observation and on experimental studies of choice behaviors; and the latter assumes a rational decision-maker who follows well-defined preferences that obey certain axioms of rational behaviors (Wang & Ruhe, 2007). The two theories can be adopted by a manager at a certain position and this is dependent on the personal abilities of reading reports and understanding the figures within which included, because management is not merely the following of numbers and figures.

Decision Making Process

Decision making is the *process* of making *a choice* between a numbers of *options* and committing to a future action. Decision making can therefore be defined as a process which includes a combination of many stages that lead to effective outcomes. This process can be very simple in some areas but in another, especially in business, it may be more complex. There are many steps which can help you to produce a good decision (Omar A. A, *et al*, 2012).

Actions

The most important element of the definition, it gives the meaning to the decision. Decision making means looking forward and reaching the goals by actions.

This definition can help you to select the most appropriate actions with the least cost and the most advantages.

The consequences of the actions are: intended and unintended, these consequences can determine your objectives, so you should consider the positive and the negative effects which might result from your decisions.

Then your role is to put a plan in order to limit the bad results and capitalize on favorable consequences.

Always try to imagine your choice as it was already happened by asking yourself about what are the consequences might be.

Choices

To make decision, you will probably rely on numbers of inputs such as your own experience, knowledge, common sense and judgment.

Choices are made within constrains which provide the boundaries within which decisions have to be made. On the other hand, the goals and the priorities provide us with the shape of these choices.

Therefore goals and objectives must be clear for making better choices. Sometimes, your decisions may require more than one object, so you will need to analyze and choose the suitable.

Making a decision is controlled by many constraints which force you to range between what you really want and what can actually be done. *But if there are no constraints, is it easier to choose?!*

Options

All successful decision making should depends on a sufficient options which lead you to reach your goals.

The first step of decision making involves where you are and where you want to go, and then generate options to show you how to get there.

Making decision without using sufficient options makes your choice become stifled. Briefly, *No options means no decision to make!*

1.1. 4 Contextual perspective

The study concentrated on four international banks (Tropical bank Equity bank Stanbic bank and Cairo International Bank) which are located in Kampala. The banks normally deal with financing, investment, managing assets and other services. The problem here is that how can the banks learn from accounting information about the future in short and long term so as to make decisions about investments and financing projects? Definitely, earning per share, rate of interest and other costs and expenses of controlling assets and running services as administration costs can give appropriate information to guide managers to make decisions. That information can be obtained only from the accounting system as financial statements. Therefore decision making as problem can be addressed by adequate and relevant accounting information abstracted from financial statements. But there are some scholars devalued the role of accounting information in making decision. Ball and Brown (1968) and Oyerinde D.T. (2009) argued that recent empirical studies explored that Accounting Information in published financial statements lost their relevance over the period of time. In United Kingdom, it has been found that the financial statement was considered as the least effective means of communicating information (Guthrie J., 2007) and (Perera & Thrikawla, 2010).

17

1. 2 Statement of the Problem

Despite the skills and knowledge possessed by the management teams at various levels, we still find international banks in Kampala facing difficulties in decision making. While all possible internal controls and other necessary documents are in place, international banks still having poor investment decisions, poor financing decisions, and poor asset management decision.

Some of the reasons of financial crisis that began in 2008 (Eldjozi , 2009) are:

Lack of transparency: it means the lack of accuracy of the information about the performance of much financial and economic organization (and this misleads investors, lenders and many financial practitioners)

Defect in monetary and financial policies implementation combined with financial statements distortion or misstatement (overstatement or understatement in the financial statements)

As result of poor decision making in international banks in Kampala, they are faced by a number of consequences such as poor control on assets, investments and financing. That is why the researcher wants to investigate the relationship between accounting information and decision making in international banks in Kampala.

1.3 Research Objectives
1.3.1 General Objective
The general objective of the study is to establish the relationship between accounting information and decision making process in selected International Banks in Kampala.

1.3.2 Specific Objectives

2. To determine the relationship between accounting information completeness and financing decision in selected International Banks in Kampala.

3. To determine the relationship between accounting information relevance and financing decision in selected International Banks in Kampala.

4. To establish the relationship between accounting information authenticity and financing decision in selected International Banks in Kampala.

5. To determine the relationship between accounting information accessibility and financing decision in selected International Banks in Kampala.

1.4 Research Questions

1. What is the relationship between accounting information completeness and financing decision in selected International Banks in Kampala?

2. What is the relationship between accounting information relevance and financing decision in selected International Banks in Kampala?

3. What is the relationship between accounting information authenticity and financing decision in selected International Banks in Kampala?

4. What is the relationship between accounting information accessibility and financing decision making in selected International Banks in Kampala?

1.5 Research Hypothesis

H_1: There is no relationship between accounting information completeness and financing decision in selected International Banks in Kampala.

H_2: There is no relationship between accounting information relevance and financing decision in selected International Banks in Kampala.

H_3: There is no relationship between accounting information authenticity and financing decision in selected International Banks in Kampala.

H_4: There is no relationship between accounting information accessibility and financing decision making in selected International Banks in Kampala.

1.6 Scope of the Study

1.6.1 Geographical scope

The study was conducted in Kampala based International banks mainly in Tropical Bank, Equity bank, Cairo Bank so as to cover the gap since there was no study done at this area in international banks at Kampala. These two selected banks just as samples.

1.6.2 Content scope

The study determined the relationship between Accounting Information and Decision making in selected International banks in Kampala.

On one hand accounting Information as independent variable comprises of the elements such as completeness, relevance, accessibility and authenticity. On other hand decision making as dependent variable comprises of components such as decisions about financing, assets management and investment decisions.

1.6.3 Theoretical scope

The study was based on the agency theory that was developed by Berle & Means in 1932. Agency theory argues that in the modern corporation, in which share ownership is widely held, managerial actions depart from those required to maximize shareholder returns (Berle and Means 1932; Pratt and Zeckhauser 1985).

Agency theories are adaptable in a situation where a task is too complicated or too costly to perform on your own. In such situation the person who wish to have the task performed, called the principal, have to hire another person with these specialized skills or knowledge, called the agent, and have this person performing the task (Sapping, 1991).

The theory indicates that financial reporting is central in monitoring process. It is a very crucial that companies especially those that directly deal with cash to

constantly equip themselves with all the required information for service and business delivery.

1.6.4 Time scope
The study covered a period of three years from January 2010 to December 2013.

1.7 Significance of the Study
The studies that have been undertaken in international banks in Uganda have not been comprehensive in terms of accountability and decision making in international banks in Uganda. This study therefore has been justified in that it:

It identifies the determinants of decision making in international banks. The different stakeholders will use findings of the study to improve decision making in international banks.

The results of the study are useful for various actors in the banking industry, including regulators and supervisors to get a broader understanding of determinants of decision making in international banks which is a major institution building policy issue. The study also provides a deeper insight into the implications of accounting information in international banks on their decision making.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

In this chapter the researcher talks firstly about theoretical review, the theories assumptions and limitations of the theories. the chapter further generates conceptual frame work which the study is guide and critically reviews the works of past author. Secondly, conceptual framework and finally he reviews the previous studies that are related to this study.

2.1 Theoretical review

This part of the chapter talked about the theory that adopted for this study (Agency theory); talked about the role of this theory between the owners and managers, about the role of auditing and about its assumptions.

2.1.1 Agency theory

Agency theory argues that in the modern corporation, in which share ownership is widely held, managerial actions depart from those required to maximize shareholder returns (Berle and Means 1932; Pratt and Zeckhauser 1985).

In 'Theory of the firm: managerial behavior, agency costs and ownership structure' (1976, 306), M.C.Jensen and W.H. Meckling refer to the firm being a 'black box', operated so as to meet relevant marginal conditions with respect to inputs and outputs Jensen and W.H, thereby maximizing profits, i.e., present value. The authors signaled that no theory exists, explaining the way in which the conflicting objectives of individual participants will bring into equilibrium to succeed in value maximization.

Jensen and Meckling (1976, 308) define an agency relationship as a contract under which one or more persons (the principal(s) engage another person (the

agent) to perform some service on their behalf which involves delegating some decision-making authority to the agent. The authors notice that if both parties are utility maximizers (opportunistic behavior); a good reason exists to believe that the agent will not always act in the best interests of the principal.

According to Jensen and Meckling (1976, 308) divergence exists between the agent's decisions and those decisions which would maximize the welfare of the principal. Within this principal-agent relationship, owners have an interest in maximizing the value of their shares, whereas managers are more interested in 'private consumption of firm resources' and firm growth.

Costs that arise because of the delegation decision-making authority from the principal to the agent, which is due to the 'separation of ownership and control' in modern corporations, are referred to as 'agency costs'. Jensen and Meckling (1976, 308) define as the sum of the agency costs:

- Monitoring costs:
  Expenditures by the principal to limit the agent's aberrant activities;
- Bonding costs:
  Expenditures by the agent to guarantee that he does not perform certain actions that may harm the principal; and
- The residual losses.
  Agency costs (the agency loss) in addition, has exemplified as the extent to which returns to the owners are below what they would be if the principals, the owners, exercised direct control of the corporation (Donaldson and Davis, 1991, 50).
  Each of business owner and manager wants to maximize his or her utility with least costs. Each of them seeks to maximize profits or income and to minimize costs or expenditure as far as possible. The work owner (the principal) on one hand utilizes his capital by hiring managers and workers to gain his goals and

ambition. On the other hand the manager (the agent) utilizes his knowledge, experience and time to gain the goal of the work owner by having his salary and allowances , but at the same time he has his own ambition and his individual needs and perks, he may work for them. Given the choice between two alternatives, the rational agent or principal will choose the option that increases his or her individual utility (Davis *et al.*, 1997). So, to what extent the agent theory can help to serve the goals of the both – principal and agent? In my point of view there is no alternative than agency theory to conduct business because it is impossible for someone to run his business (company or bank) himself alone. Therefore, he should hire people to run that business. The agency theory can work well if there is a perfect foundation of information. The most important type of information needed in case of business is that information about business particularly accounting information. So, well documented, audited and complete accounting information can fill the gap between the principal and the agent.

According to Eisenhardt (1989), the agent is more risk averse than the principal. Agents, who are unable to diversify their employment, should be risk averse and principals, who are capable of diversifying their investments, should be risk neutral.

Eisenhardt (1989) cites two main aspects of the agency theory, that is, 'moral hazard' – the agent usually has more information about his or her actions and intentions than the principal does (information asymmetry) and 'adverse selection' – the principal cannot completely verify the agent's skills and abilities, either at the time of hiring or while the agent is working.

Subsequent to unobservable behavior (moral hazard or adverse selection), the principal could choose to contract on outcome (Eisenhardt, 1989, 61). According to Eisenhardt (1989, 61) an outcome-based contract motivates behavior by co

alignment of the agent's and principal's preferences, but at the price of transferring risk to the agent. Opposite, the principal could choose to contract on behavior, i.e., investing in information systems (reporting systems, boards of directors etc.), which reveal the agent's behavior to the principal.

Davis *et al.* (1997, 23) put forward the executive compensation schemes, being an example of mechanisms to ensure agent-principal interest alignment and to minimize agency costs. Those financial incentive schemes provide rewards and punishments aiming aligning principal-agent interests. Following Davis *et al.*, incentive schemes are particularly desirable when the agent has an informational advantage and monitoring is impossible.

Deegan and Unerman (2006, 215) notice that within the agency theory literature, the firm itself is considered to be a 'nexus of contracts'. These contracts are used with the intention of ensuring that all parties, acting in their own self-interest, are at the same time motivated towards maximizing the value of the organization.

According to Donaldson and Davis (1991, 50), a major structural mechanism to restrict managerial opportunism is the board of directors, which provides a monitoring of managerial actions on behalf of the shareholders. The authors assert that an unbiased review will occur more fully, where the chairperson of the board is independent of executive management.

Davis *et al.* (1997, 23) further mention that the application of agency control does not imply that all managers' decisions will result in increased wealth for principals; it implies only that managers will strive to attain outcomes favorable for the principals. According to Davis *et al.*, there are many reasons other than poor motivation for agents' failing to deliver high performance, e.g. low ability, lack of knowledge and poor information.

2.1.2 Agency theory and the role of audit

A principal-agent relationship arises when principals engage another person as their agent to perform some service on their behalf. Delegation of responsibility is helpful in promoting an efficient and productive economy, however delegation also means that the principal needs to place trust in an agent to act in the principal's best interests.

Because of information asymmetries between principals and agents and differing motives, principals may lack trust in their agents and may consequently need to put in place mechanisms to reinforce this trust.

As described in an earlier part of this paragraph, applying 'executive compensation schemes' and monitoring through information systems are examples of mechanisms using in aligning agents' and principals' interests. Another monitoring mechanism is the audit. An audit provides an independent check on the work of agents and of the information provided by an agent, which helps to maintain confidence and trust (Audit quality, 2005, 7).

On behalf of the principal, the auditor assesses whether the financial statements, prepared by the agent, present a true and fair view of the company and are prepared in accordance with general accepted accounting principles. The financial statement audit makes management accountable to shareholders for its stewardship of the company.

"Auditors are engaged as agents under contract but they are expected to be independent of the agents who manage the operations of the business. The primary purpose of audited accounts in this context is one of accountability and audits help to reinforce trust and promote stability" (Audit quality, 2005, 9).

2.1.3 The theory's assumptions

Agency theory prescribes actions that focus on the protection of the investment of the principal (VC) against the harmful behaviors of the agent (entrepreneur) (Jensen & Meckling, 1976). Whereas agency theory has been developed primarily in the context of publicly traded firms with diffuse ownership structures and managers with very limited equity stake, its logic has some appeal for explaining the VC-E relationship. When VCs buy into a venture, they are like outside stakeholders (or large blockholders) who carefully observe the firm to track its business potential and monitor agent behavior to protect against opportunism.

2.2 Conceptual framework

Figure 2.1: Conceptual framework

Independent Variable

Dependent Variable

Accounting Information:- • Complements. • Relevance • Authenticity • Accessibility	Decision Making:- • Investment decision. • Financing decision. • Asset management Decision.

Intervening Variables:-

• Government policies.
• Regulations etc...
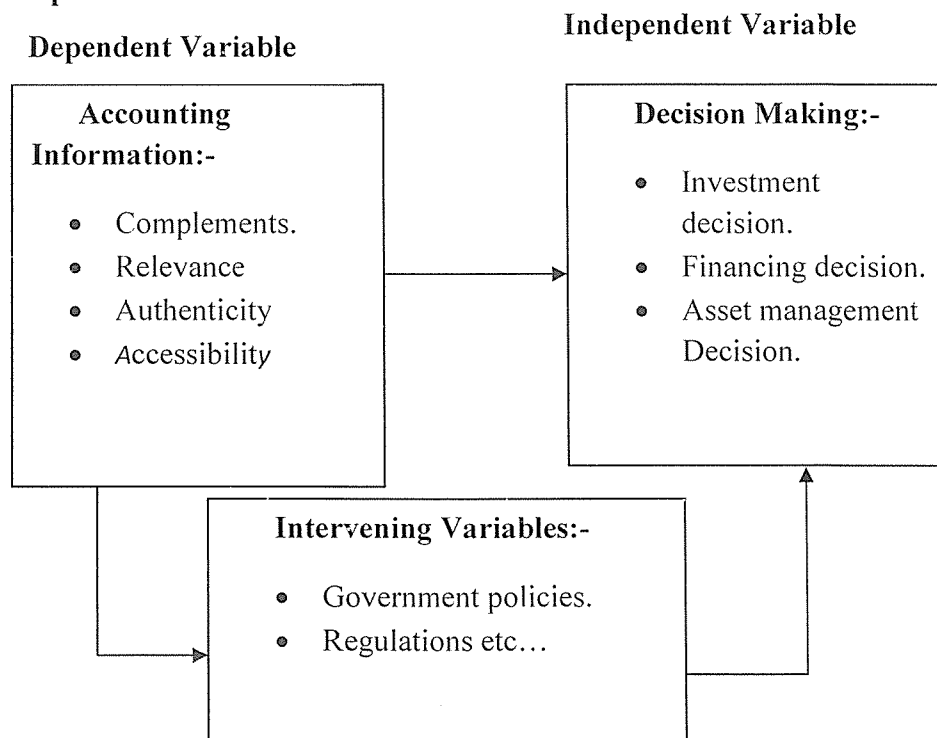
Source: the researcher (2013)

29

This framework tries to say briefly the relationship between accounting information complement, relevance, accessibility and authenticity and decision making in terms of investment, financing and assets management in existence of government policies and regulations as a part of the environment within which organizations are working. Accounting information should be complete, relevant and authentic so as to be enough for right and prudent decision. At the same time it should consider the government policies and regulations, also management should consider this in time of that information while they are making decisions.

2.3 Related literature

There are many studies on using accounting information for decision making. Among these studies is the one that conducted by (Shrkasi and Wynn, 2011) in title of "Deployment evaluation of accounting information systems in Libyan commercial banks" they said that "Many organizations rely on information systems for decision-making, to improve customer service and develop appropriate reporting, monitoring and control mechanisms". The study discussed history, using of AIS techniques and development of commercial banks in Libya, quoted "Over the past two decades, the banking industry in Libya has experienced very significant development, which was the direct result of various factors, one of the most important being the implementation of new accounting information systems (AIS) and associated technologies. They argued that banks tend to use IT to improve the quality of their services, increase efficiency and customer satisfaction, and offer wider choice with lower costs to the customer, i.e. for competitive advantages.

They said that implementation of AIS can be a costly process, but finally it contributes to the organizations subsequent long-term productivity and profitability, and effective project management in systems implementations and

proper training and skills enhancement for the systems users are key factors in achieving this (Wynn and Maldonado, 2007).

In conclusion the study revealed that "Despite its limitations, it is believed that these research findings provide a useful insight into the business processes and IT investment in Libyan banks and provide a starting point for future research.

Information systems have enabled companies and organizations in many parts of the World to provide services and products of a high quality, low cost and in a timely manner, sometimes through the redesign of business processes.

In study done by Dumitrana *et al.*, (2008), about "The use of the accounting information on decision making in the hospitality business". They argued that systems represent the language of business because cost, price, sales volume, profits and return on investment are all accounting information measurements and the purpose of accounting information is to provide information that is useful in Decision making.

The conclusion of their study stated that "Accounting system and especially managerial accounting provide useful information for decision making. Information is the product of accounting and that means that the quality of accounting information influences the quality of decisional process that will influence the customers' satisfaction". There was recommendation for the development of accounting information to support marketing decisions making in hotels offers opportunities to improve the quality of decisions made. The capacity of the technology available is capable of producing information not previously possible. What is now required is the development of knowledge in order to maximize the resources available to hotel managers.

There was a study hold by Michael Chidiebere Ekwe (2013) for Ph.D from Enugu State University of Science and Technology, UK   under title of "Reliance on

Published Financial Statements and Investment Decision Making in the Nigeria Banking Sector".

The study employed survey research design by which data were generated by means of questionnaire administered on one hundred and fifty corporate investors and senior management officials of the selected banks. The descriptive statistics and percentage analysis were used for the data analysis and the hypotheses were tested using t-test statistic. The statistical package for social sciences (SPSS) software version 17.0 was employed in the analysis of data and test of hypotheses. The study was a critical investigation on the degree of reliance of the published financial statements by corporate investors.

The study said that : "Financial Reporting Standards and Practices have in the recent past come under great criticisms, demanding that accountants take further steps in ensuring that the true and fair view of the actual worth of business are also incorporated in the financial statements published by them".

The results revealed that one of the primary responsibility of management to the investors is to give a standardized financial statement evaluated and authenticated by a qualified auditor or financial experts (tcal (16.59) > tcritical (2.353). $p < 0.05$). It also showed that investors do understand the financial statement well before making investment decisions (tcal (17.306) > tcritical (2.353). $p < 0.05$). The results of the analysis also indicated that investors depend heavily on the credibility of auditors/financial expert approval of financial statement in making investment decisions (tcal (4.592) > tcritical (2.353). $p < 0.05$) and as such published financial statement is very important in the investors' decision making (tcal 74.500 > tcritical 6.314; $p < 0.05$). It hereby recommended that adequate care and due diligence should be maintained in preparing financial statements to avoid faulty investment decisions which could lead to loss of funds and possible litigations.

There was study done by Ogah Idagu Joseph (2013) from Cross River University of Technology, Nigeria, under title of "An Evaluation of the Relevance of Accounting Systems as a Management Decision Tool in Union Bank of Nigeria Plc, Uyo Branch of Akwa Ibom"

The study identified shareholders as the major users of accounting information which perhaps enabled them to assess the progress of the banks.

The study revealed that: "Recently in Nigeria, there has been an alarming rate of mismanagement of resources, frauds, embezzlements and inefficiency in her financial business environment resulting in the close down of many financial institutions and the arrest of the Chief Executive Officers of affected banks. This may be due to the lack of use of relevant and up-to-date accounting information system by management in their decision-making process. The analyzed result further revealed that inadequate supplies of equipment and inadequate accounting personnel constituted the major hindrances to the successful employment of an efficient accounting information system. The regression result revealed that high level of profitability of UBN Plc was not dependent on the use of accounting information (p>0.05). The low explained variability implied that other variables apart from AIS must have positively impacted on the bank's profitability. The study therefore suggests that the successful integration of AIS will depend on how well other factors are efficiently put in place to facilitate its operation.

There was also study about "the relevance of accounting information on investor's decisions" done by Perera and Thrikawala, (2010) from University of Kelaniya, Srilanka. They began the study by saying "Recent empirical work has suggested that Accounting Information (AI) have lost their relevance to investors significantly over the past few decades. AI contained in financial statements to be accurate and transparent enough to provide an indication of a business performance and financial condition to decision makers including investors.

According to the present empirical evidence, investors tend to focus on information other than the published accounting information such as non financial information, short term capital gains and tend to be speculative or irrational for unusual events". Therefore as (Perera and Thrikawala, 2010) argued, this study attempts to addresses the relevance of AI on investor's stock market decisions in Commercial Banks registered under Colombo Stock Exchange (CSE) in Sri Lanka. The relevance of accounting data was measured by correlation coefficient between Market Price per Share (MPS) and selected accounting information such as Earning per Share (EPS), Return on Equity (ROE) and Earning Yield (EY). The data analysis was based on the AI in the published financial statements of Commercial banks registered under Colombo Stock Exchange (CSE). It covers a period of 5 years from 2006 to 2009.

According to the findings there is a relationship between Accounting Information and Market Price per Share. Further it revealed that investors still consider Accounting Information which contain in the published financial statements of Commercial Banks registered under Colombo Stock Exchange (CSE) for the stock market decisions in Sri Lanka.

In a research by Daniela Haranguş, 2007, in title of accounting information in bank activity. University of Oradea, Romania, reveals that "accounting information allows commercial banks to speculate upon opportunity of attractive business in placements and resource attraction.

The researcher identifies the bank main functions as:

1. Issue and management of payment instruments and credit;
2. Payments;
3. Fund transfers;
4. Transactions in the clients' accounts;
5. Mandate operations, etc.

The study in conclusion reveals that the role of accounting information in the banking activity is extremely important in the orientation of bank management towards successful strategies.

Bank accounting is a domain where all accounting information essential for bank activities are collected and synthesized.

Also the transparency of bank accounting systems allows for a correct and complete evaluation of the bank activities and the establishing of respective bank priorities for the delineation of their business horizon.

In the context of world economy globalization the great banks which are the giants of the international financial market are fighting for supremacy. Power means information, especially in the banking world.

The performances and the accounting information ensure banks the path to success.

There was also a research published at the International Journal of Management and Social Sciences Research (IJMSSR), Volume 1, No. 3, December 2012, by Siyanbola Tunji, PhD in Accounting, Student of Curtin University of Technology, Sarawak, Malaysia. The study was analysis of accounting information as an aid to management decision making. A survey research design was adopted in which fifty workers, of a typical manufacturing company, were used and data were collected using questionnaire.

He quoted that "Accounting is the language of business as it is the basic tool for recording, reporting and evaluating economic events and transactions that affect business enterprises. It processes all documents of a business financial performance from payroll, cost, capital expenditure and other obligations to sale revenue and owners' equity. It provides financial information about one's business to the internal and external users, such as managers, investors and others. It is sometimes referred to as a means to an end, with the ending being the

decision that is helped by the availability of accounting information (Arneld and Hope 1990).

The findings about the relevance accounting information:

Since t-calculated is greater than the table value (i.e. 26.17 > 1.68), then the null hypothesis is rejected, while the alternative hypothesis is accepted and conclude that there is a significant relationship between time factor and accounting information.

And the findings about the relationship between accounting information and decision making are:

Since t-calculated is greater than the table value (i.e. 30.54 > 1.68), then the null hypothesis is rejected, while the alternative hypothesis is accepted and conclude that accounting information has significant effect on management decision.

Based on the findings it was recommended that companies should employ professional accountant in order to provide valuable information and keep accurate record of their accounts

There was also a study by Ahmed Shibir, Islamic University in Gazza, Palastine.

The study aimed to identify the role of accounting information in managerial decision making in general joint-stock companies in Palestine. It was done on 20 companies in Palestine. The study discussed the features that make the information is enough for making wise managerial decisions in an organization. The researcher exposed many related studies to prove the importance of accounting information in making managerial decisions.

The study concluded with the following findings:

1. Accounting information has a vital role in decision making in general joint-stock companies.

2. There is a considerable use of financial lists to get accounting information which is used in decision making.

3. The accounting information used in decision making has the characteristic and the major requirements.
4. The general joint-stock companies are committed to publishing detailed information associated with financial lists to facilitate easy access to clear accounting information to be used in decision making processes.

Also there was a study done by (Heidhues & Patel, 2008) published by East China University, China. That study examined the role of accounting information in decision making process in German dairy cooperative and examines the political and economic aspects of decision-making by top managers. Although the study gives high concentration on the influence of Germany's unique political, cultural, economic, social, legal and historical environment on managers' decisions, but also it shows how the board of directors and senior managers use accounting information as part of their decision-making strategies.

The study conclusion of this case strongly reveals that the role and utilization of accounting information in decision-making strategies and processes and managers preferences on this utilization are highly specific. We have provided evidence of how the board of directors and senior managers use accounting information as part of their decision-making strategies (Heidhues & Patel, 2008).

"The impact of accounting information on management's decision-making process" was a study from Vaxjo University, Sweden, fulfilled by Jerzy Kociatkiewicz, 2006. The research was conducted on Wexiödisk AB, a producer of dishwashing machines for professional use. The company headquarter is located in Växjö and its products are present on the European, as well as the Japanese and Australian market. Currently the company is Scandinavian's leading

supplier in its business field. Since 2004, Wexiödisk belongs to an Italian group, called the Ali Group.

In this study the researcher aimed to answer two questions: which accounting tools are used in Wexiödisk? And how those accounting tools affect the decisions made by the company?

In conclusion of the study the researcher answered the first question by saying: "profitability is regarded as the most important tool for the owners and also for the managers". And as answer for the second question he said: "all interviewees agreed on the basic role of accounting information on decision making". He explained: "Tools that allow an examination of the relationship between accounting information and decision-making were analyzed. These tools included the traditional accounting system, a mixture between target and cost-plus pricing, a kind of benchmarking, working capital, gross and operating profit and the payback method. As shown, Wexiödisk adapted them and hence, there were some differences to their outlined theoretical descriptions.

However, these quantitative data is not enough for doing successful decisions. The role of qualitative data, as well as personal feelings, experiences and preferences of the accounting information providers, as well as the decision-makers has an important impact on decision making.

Also there was a study done by (Brigitte Eierle and Wolfgang Schultze, 2013) about "The role of management as a user of accounting information". The aim of this study is to analyze the question of whether the sole focus of standard setters developing accounting standards that are useful to external users for making decisions about providing resources to the entity result in useful accounting information. To answer this question, the researchers analyzed the relationship between the stewardship function of financial accounting and the demand for

information useful in making economic decisions on resource allocation (decision-making demand; decision-useful information) by external investors.

In conclusion they said briefly: "Providing financial accounting information is used to hold managers accountable. The rules of accounting provide incentives for managerial decision-making. The consequences of accounting rules for managerial decision-making, hence, need to be carefully considered.

Differently from all studies above, there are some studies claimed that accounting information lost its role in decision making. Among those studies that one carried by Ball and Brown (1968) and Oyerinde D.T. (2009) argued that recent empirical studies explored that Accounting Information in published financial statements lost their relevance over the period of time. In United Kingdom, it has been found that the financial statement was considered as the least effective means of communicating information (Guthrie J., 2007) and (Perera & Thrikawla, 2010).

2.4 Summary of Gaps Identified in the Literature

The related studies that reviewed in this study are about the using of accounting information and decision making, but only two of them are in bank sector and that means the studies in banks in this topic are few. And the most important thing is that none of them are carried in Uganda bank sector.

The study that conducted by (Shrkasi and Wynn, 2011) in title of "Deployment evaluation of accounting information systems in Libyan commercial banks" concluded that Information systems have enabled companies and organizations in many parts of the World to provide services and products of a high quality, low cost and in a timely manner, sometimes through the redesign of business processes. But it didn't say anything about how accounting information system can serve decision making. It was not different from what was said by the study

that carried by Daniela Haranguş, 2007, in title of accounting information in bank activity. University of Oradea, Romania, i.e. same gap.

The study done by Dumitrana et al., (2008), about "The use of the accounting information on decision making in the hospitality business", investigated the relationship between accounting information and decision making. It concluded that "managerial accounting provide useful information for decision making". But as a gap, the study was not done on bank sector.

There was a gap in the study that done by Michael Chidiebere Ekwe (2013) under title of "Reliance on Published Financial Statements and Investment Decision Making in the Nigeria Banking Sector". The study investigated the relationship between accounting information and investment decision making. The gap here is that the study didn't care about financing decision and asset management decision.

The study done by Ogah Idagu Joseph (2013) under title of "An Evaluation of the Relevance of Accounting Systems as a Management Decision Tool in Union Bank of Nigeria. The study investigated the relationship between relevance of accounting information and decision making, but it was not care about completeness, authenticity, and accessibility of accounting information which were there standing as gaps.

The study was carried by Ahmed Shibir, Islamic University in Gazza, Palastine, identified the role of accounting information in managerial decision making in general joint-stock companies in Palestine. The gap here the study was not in bank sector; it didn't break down the two variables into simple components. So, there was no clear idea about which component can affect which (accounting

information completeness against financing decision or relevance of accounting information against asset management decision etc).

Differently there were study carried by Ball and Brown (1968) and Oyerinde D.T. (2009) argued that recent empirical studies explored that Accounting Information in published financial statements lost its role in decision making. This was very different from what the researcher of this study is aiming to prove.

CHAPTER THREE
METHODOLOGY

3.0 Introduction

The researcher here talked about the research design, study population, sample size, sampling procedures, research instrument and its validity, data collection process and data analysis process. He talked also about the ethical considerations and limitations of the study. Finally he exposed the findings of the study.

3.1 Research Design

The study used a descriptive approach with co-relational design. Descriptive studies are non–experiential researches that describe the characteristics of a particular individual or of a group. It deals with the relationship between variables, testing of hypothesis and development of generalizations and use of theories that have universal validity. It also involves events that have taken place and may be related to the present conditions.

3.2 Research Population

The target population was comprised of chief accountants, accountants, auditors and managers from Tropical Bank, Equity bank, Stanbic bank and Cairo Bank. It is estimated that the total population is 141 (chief accountants, accountants, managers, auditors and others who are related to the financial work)

3.3 Sample size

In view of the nature of target population where accountants, auditors and managers, sample was taken from each bank. Table 1 below shows the distribution of respondents of the study from different Banks (chief accountants, accountants, Auditors, managers and others).

The sample size was determined by Sloven's formula, shown below;

$$n = \frac{N}{1 + Ne^2}$$

Where: n =Sample size

N =Population size

e = Margin of error desired

Table 3.1: Distribution of Respondents from Different Banks

Banks	Population size	Sample size
Tropical Bank	32	30
Equity Bank	44	39
Stanbic Bank	29	27
Cairo Bank	36	33
Total	**141**	**129**

Source : Primary data,2014

The total population was 141; the sample size was 129 respondents, but the actual number of questionnaires that had been answered and retrieved was 123.

3.4 Sampling Procedures

This study employed a non- probability sampling technique in respondents selection. The technique was based on different criteria amongst the following: qualification, area of specialization, duration in service, training acquired.

3.5 Research Instruments

The study tools that were used in the study included the following (i) Face sheet to gather data on the respondent's demographic characteristics area of specialization (ii) The Researcher devised questionnaires to determine the level of

Financial Capital and level of Decision Making (iii) Items concerning the level of Accounting Information and Decision Making.

3.6 Validity and reliability of research Instruments
3.6.1 Validity

Validity of the research instrument means "that instrument should be the right one for that research; touches all aspects of the topic, answers all questions about it and measures it well.

According to Nahid Golafshani, (2003) "Validity determines whether the research instrument truly measures what it was intended to measure or how truthful the research results are. In other words, does the research instrument allow you to hit sensitive point of your research object? Researchers generally determine validity by asking a series of questions, and will often look for the answers in the research of others". The researcher in this study tested the validity by giving the questionnaire to some expert who said it was valid. Also he used the Content Validity Index (CVI).

CVI= (Number of questions declared valid)/ Total number of questions

There were 69 questions, 56 of them declared valid. Then CVI calculated as:

CVI = 56/69 = 0.81 i.e. 81% so the instrument can be considered as valid since CVI is to declare an instrument to be valid is 70%, and above.

3.6.2 Reliability

Joppe, (2000) defines reliability as: The extent to which results are consistent over time and an accurate representation of the total population under study is referred to as reliability and if the results of a study can be reproduced under a similar methodology, then the research instrument is considered to be reliable.

Kirk and Miller (1986) identify three types of reliability referred to in quantitative research, which relate to: (1) the degree to which a measurement, given

repeatedly, remains the same (2) the stability of a measurement over time; and (3) the similarity of measurements within a given time period.

The researcher here repeated the process of data gathering through questionnaire among a few number of respondents. Then he compared their first answers with their last ones.

3.7 Data Gathering Procedure
3.7.1 Before the administration of the questionnaire

An introduction letter was obtained by the researcher from the College of higher degrees and research evaluations at Kampala International University, requesting the Directors of the selected Banks allowed the researcher to collect data from the institutions.

On approval, the researcher secured a list of the targeted respondents from the selected Banks to arrive at the minimum sample size. The respondents were be briefed about the study and requested to sign the informed consent form (Appendix 3). More than enough questionnaires were produced for distribution to the respondents. The Researcher deployed assistants to assist in the data collection; they were oriented in order to be consistent in administering the questionnaires.

3.7.2 During the Administration of the Questionnaires

The respondents were requested to answer all the questions to the best of their abilities.

The researcher and research assistants emphasized retrieval of the questionnaires within five days from the date of distribution but actually it took two weeks to retrieve all of questionnaires. On retrieval, all returned questionnaires were checked to ensure that all are answered.

3.7.3 After the administration of the questionnaire

The data gathered were collated and put in a computer for statistical analysis.

3.8 Data Analysis

Frequency and percentage distribution were used to determine the demographic characteristics of the respondents. Mean item analysis was used to evaluate the level of accounting information and decision making based on indicators of strengths and weaknesses. From these recommendations to the study were be formulated.

A multiple correlation coefficient to test the hypothesis on correlation (Ho) at 0.05 level of significance using the t-test will be employed.

The regression analysis (co-efficient of determination) was used to determine the influence of Accounting Information to Decision Making in Selected International Banks in Kampala.

The following mean range was used to arrive at the mean of the individual indicators and interpretation:

A. **For the level of accounting information:**

Mean Range	Response Mode	Interpretation
3.26-4.00	Very many	Very satisfactory
2.51-3.25	Enough	Satisfactory
1.76-2.50	Few	Fair
1.00-1.75	Not available	Poor

B. **For the level of decision making**

Mean Range	Response Mode	Interpretation
3.26-4.00	Strongly agree	Very satisfactory
2.51-3.25	Agree	Satisfactory
1.76-2.50	Disagree	Fair
1.00-1.75	Strongly disagree	Poor

The 0.05 level of significance was used to determine the significance of the difference and to accept or reject the hypothesis one or two (Ho#1 and Ho#2) the Pearson's linear correlation coefficient (PLCC) was used to determine if there was a significant relationship between the level of accounting information and decision making at 0.05 level of significance and to test the null hypothesis.

3.9 Ethical Considerations

To ensure confidentiality of the information provided by the respondents and to ascertain the practice of ethics in the study, the following activities were implemented by the researcher.

The respondents were coded instead of reflecting the names through a written request to the concerned officials of the Banks in order to access data from them.

The researcher requested the respondents to sign the informed consent form (appendix). Specifically, participants were be informed about the aim and nature of the research

The researcher acknowledged the authors quoted in the study through citations and referencing.

Findings of the study were presented in a generalized manner to enhance privacy and confidentiality.

3.10 Limitations of the study

In view of the following threats to validity, the researcher claimed an allowable 5% margin of error. Mitigating measures were taken to minimize if not to eradicate threats to validity of findings of the study as shown below;

Extraneous variables which were beyond the researchers control such as respondents honesty, personal biases and uncontrolled setting of the study.

Instrumentation: The research instruments on resource availability and utilization are not standardized. Therefore a validity and reliability test was done to produce credible measurements of the research variables.

Testing: The use of research assistants might bring about inconsistency in the administration of questionnaires in terms of time administration, understanding of the items in the questionnaires and explanations given to the respondents. To minimize this threat, the research assistants were briefed on the procedures that had to be done in data collection.

Attrition/Mortality: Not all questionnaires were retrieved back due to circumstances on the part of the respondents such as being busy or sickness. In anticipation to this the researcher reserved more respondents exceeding the minimum sample size. The respondents were be reminded not to leave any item in the questionnaires unanswered and were closely be followed up as to the date of retrieval.

Lack of references: the researcher suffered from lack of references during his work on this study, but he gave great efforts to overcome this problem.

CHAPTER FOUR
PRESENTATION, ANALYSIS AND INTERPRETATION OF DATA

4.0: Introduction

The results in this section were presented so as to explore the data with respect to the research study objectives. After the data entry stage, the data was captured using the SPSS software and then analyzed with respect to the research objectives. The analysis was presented using frequencies and percentages, descriptive means and standard deviation, analysis of variance tables and regression analysis.

4.1.0 Demographic characteristics of respondents

The researcher used frequencies and percentage distributions to analyze the demographic characteristics of respondents in terms of age, gender, education level, marital status and the position.

4.1.1 Gender of respondents

This analysis showed the composition of the community study in terms of male and female. The result was reflected at table 4.1 below.

Table 4.1 Gender of Respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	male	57	46.3	46.3	46.3
	female	66	53.7	53.7	100.0
	Total	123	100.0	100.0	

Source: Primary data, 2014

Table 4.1 above indicate that majority of the respondents were females with (53.7%) while males with (46.3%). The findings also imply that International

Banks in Kampala employee more females than males. From the interview interactions, the key respondents mentioned that they prefer working with females more than males because they perceive that females are more committed, better at customer care and they are good at accounting and financial honest as compared to males. They acknowledged that males are also perseverant, had working and equally good at customers care.

4.1.2 Age of respondents

This analysis showed the ages of the respondents in the study so as to have an idea about the work force at these banks. The result was reflected at table 4.2 below.

Table 4. 2 : Age of Respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	below 20 years	3	2.4	2.4	2.4
	20-29 years	20	16.3	16.3	18.7
	30-39 years	65	52.8	52.8	71.5
	40-49 years	30	24.4	24.4	95.9
	50 years and above	5	4.1	4.1	100.0
	Total	**123**	**100.0**	100.0	

Source: Primary Data, 2014

Table 4.2 above indicate that majority of the respondents were in the category of 30-39 with (52.8%) while minority were below 20 years of age with (2.4%). Those between 20-29 years had 16.3%, and those above 50 years were rated with 4.1%. The finding also implies that International Banks in Kampala employee more middle aged workers who are mature and capable of making informed

decisions. From the interview interactions, the key respondents mentioned that they prefer working with mature adults than young staff who have less concentration on work and are jumpy. They acknowledged that old people are not very good at mathematics and can easy cause a financial loss due to shortages and errors because of forgetting.

4.1.3 Marital status of respondents

This analysis classified the respondents in to married, single and widowed and that may give an idea about the moral, social and psychological conditions of the workers at these banks. The result was reflected at table 4.3 below.

Table 4.3: Marital Status of Respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	married	46	37.4	37.4	37.4
	single	69	56.1	56.1	93.5
	widowed	8	6.5	6.5	100.0
	Total	123	100.0	100.0	

Source: Primary Data, 2014

Table 4.3 above indicate that majority of the respondents were single with (56.1%) while minority were widowed with (6.5%). The married employees were 37.4%. The finding also implies that International Banks in Kampala employee more single employees than the married. From the interview interactions, the key respondents mentioned that they prefer working with single life employees than the married employees because the banking sector needs employees who are more committed. The respondents noted that sometimes they left the work place very late because of balancing accounts before the closing of the day sales on a daily

basis. They acknowledged that marriage was important and would help to solve work stress and stability at work.

4.1.4 Position of respondents

This analysis classified the respondents in to their positions and that may give an idea about their tasks their perception of the information that they may deal with at these banks. The result was reflected at table 4.4 below.

Table 4.4 position of respondent in the bank

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	general manager	4	3.3	3.3	3.3
	financial manager	9	7.3	7.3	10.6
	departmental manager	20	16.3	16.3	26.8
	Accountant	73	59.3	59.3	86.2
	Others	17	13.8	13.8	100.0
	Total	123	100.0	100.0	

Source: Primary Data, 2014

Table 4.4 above indicate that majority of the respondents were accountants with (59.3%) while minority were general managers with (3.3%). The finding also implies that International Banks in Kampala employees more workers in accounts department. From the interview interactions, the key respondents mentioned that they prefer working in accounts department because of the small allowances the department gets.

4.1.5 Education of respondents

This analysis showed education levels of the respondents and that may give an idea about their knowledge and their perception of the information and the tasks that they may deal with at these banks. And also gives indicators about the credibility, accuracy and reliability on accounting information that they may make and provide. The result was reflected at table 4.5 below.

Table 4.5: Education of Respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Certificate	3	2.4	2.4	2.4
	Diploma	24	19.5	19.5	22.0
	Bachelors	64	52.0	52.0	74.0
	Masters	32	26.0	26.0	100.0
	Total	123	100.0	100.0	

Source: Primary Data, 2014

Table 4.5 above indicates that majority of the respondents were bachelor holders with (52.0%) while minority were certificate holders with (2.4%). The masters holders were 26.0% while the diploma holders were 19.5%. The finding also implies that International Banks in Kampala employee more graduates than diploma and certificate holders. From the interview interactions, the key respondents mentioned that the nature of the work in the banking sector require people with bachelor degrees and computer skills because the banking industry has gone e – banking.

4.1.6 Experience of respondents

This analysis showed work experience of the respondents and that may give an idea about their skills, knowledge and their perception of the information and the tasks that they may deal with at these banks. And also gives indicators about the credibility, accuracy and reliability on accounting information that they may make and provide. The result was reflected at table 4.5 below. The result was reflected at table 4.4 below.

Table 4.6 : Experience of Respondents

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid less than 5 years	34	27.6	27.6	27.6
6 to 10 years	54	43.9	43.9	71.5
11-20 years	35	28.5	28.5	100.0
Total	123	100.0	100.0	

Source: Primary Data, 2014

Table 4.6 above indicate that majority of the respondents were between 6-10 years with (43.9%) while minority had worked for less than 5 years with (27.6%). Those who had worked between 11-20 years were rated 28.5 years. The finding also implies that International Banks in Kampala employee workers for long time and the rate of employee turnover was lower. From the interview interactions, the key respondents mentioned that they prefer working in the banking sector because of soft loans advanced to the staff.

4.2.0 Descriptive statistics of respondents

The independent variable in this study was accounting information, therefore, the researcher intended to determine its level, and it was broken into four constructs

namely; Completeness of accounting information, relevance of accounting information, authenticity of accounting information and accessibility of accounting information. Each of these constructs was based on the four Likert Scale, where the respondents were asked if they strongly disagreed, disagreed, agreed and or strongly agreed with the level of accounting information and their responses were analyzed using SPSS and summarized using means as indicated in tables identified by their numbers.

The data on level of accounting information and decision making was analyzed and the responses are given in tables 4.7, 4.8, 4.10, 4.12, 4.14, 4.16, and 4.18.
The analysis results about the relationship between dependent variable and independent variable are given in tables 4.9, 4.11, 4.13, 4.15, 4.17, 4.19, 4.20 and 4.21.

4.2.1 Completeness of accounting information and financing decision:
The researcher here used SPSS analysis to investigate the relationship between accounting information completeness and financing decision. He showed firstly whether the level of the responses on completeness of accounting information were strong enough or weak and secondly he showed the level of the responses on financing decision and then he found out whether they were correlated as dependent and independent variables.

The responses on completeness of accounting information were shown in table, 4.7 below

Table 4.7: Descriptive Statistics - responses on completeness of accounting information

	Mean	Std. Deviation	Interpretation
There is enough number of accountants	3.8618	.34653	Very satisfactory
You keep journal books for daily transactions	3.8618	.34653	Very satisfactory
You keep ledger books to summarize and classify all transactions	3.7886	.40996	Very satisfactory
You record every transaction of accounts receivable	3.4634	.50070	Very satisfactory
You record every transaction of accounts payable	3.4634	.50070	Very satisfactory
You have a book for every asset	3.7886	.40996	Very satisfactory
You have books for all customers	3.7886	.40996	Very satisfactory
You have books for all clients	3.4634	.50070	Very satisfactory
You have a book for every shareholder	3.7886	.40996	Very satisfactory
There is a control account for stocks	3.4634	.50070	Very satisfactory
There is a control account for ponds	3.4634	.50070	Very satisfactory
There is a control account for assets	3.7886	.40996	Very satisfactory
There is a control account for every investment project	3.4634	.50070	Very satisfactory
You summarize all accounts in a trial balance monthly	3.7886	.40996	Very satisfactory
You summarize all accounts in a trial balance quarterly	3.4634	.50070	Very satisfactory
Your computerized account system allow all mentioned above	3.7886	.40996	Very satisfactory
You hire professional analyzers to utilize your accounting information efficiently	3.4634	.50070	Very satisfactory
Your bank uses financial analysis tools to analyze its financial projects	3.4634	.50070	Very satisfactory
Your bank uses capital budgeting techniques to analyze financial information on projects	3.7886	.40996	Very satisfactory
You have clear procurement policies and guides	3.4634	.50070	Very satisfactory
Average mean	3.5671	.42985	Very satisfactory

Source: Primary Data, 2014

56

Key for interpretation of means:

Rate	Response mode	Description	Interpretation
3.26-4.00	Strongly agree	You agree with no doubt at all	Very satisfactory
2.51-3.25	Agree	You agree with some doubt	Satisfactory
1.76-2.50	Disagree	You disagree with some doubt	Fair
1.00-1.75	Strongly disagree	You disagree with no doubt	Poor

Results in Table 4.7 above revealed that the responses on the completeness of accounting information were rated as Very Satisfactory with an (Average mean = 3.5671) in International Banks in Kampala in Uganda. Respondents were asked whether they strongly disagreed, disagreed, agreed and or strongly agreed with the statements under investigation and their responses indicated that accounting information among respondents was rated as Satisfactory on average. This means that accounting information is complete in selected international banks and can be relied on.

This result agreed with the result of the interview answers. The respondents confirmed satisfactorily that the accounting information consisted in the financial statements are always complete and comprehensive.

After the level of responses on completeness of accounting information as one component of independent variable was shown as above, researcher showed the level of responses on financing decision as part of decision making as it is reflected in table 4.8 below.

Table 4.8 Descriptive Statistics-responses on financing decision making

Your decision on financing depends on the following:	Mean	Std. Deviation	Interpretation
Your accounting information about share price	3.2276	.4203	Very satisfactory
Your accounting information about earning per bond	3.7886	.40996	Very satisfactory
Your accounting information about share price	3.2276	.42103	Very satisfactory
Your accounting information about debts	2.2195	.50468	Fair
Your accounting information about earning per bond	3.7886	.40996	Very satisfactory
Your accounting information obtained from asset control accounts	3.2276	.42103	Very satisfactory
Average mean	3.246	0.4312	Very satisfactory

Source: Primary Data, 2014

Key for interpretation of means:

Rate	Response mode	Description	Interpretation
3.26-4.00	Strongly agree	You agree with no doubt at all	Very satisfactory
2.51-3.25	Agree	You agree with some doubt	Satisfactory
1.76-2.50	Disagree	You disagree with some doubt	Fair
1.00-1.75	Strongly disagree	You disagree with no doubt	Poor

Results in Table 4.8 above revealed that the responses on financing decision were rated as Very Satisfactory with an **(Average mean = 3.246)** in International Banks in Kampala in Uganda. This means that the respondent believe satisfactorily that financing decision making at international banks was based on completeness of accounting information.

The relationship between accounting information completeness and financing decision making:

The results on table 4.8 and table 4.9 which reflected the levels of the responses on accounting information completeness and financing decision making were further analyzed to find out the relationship between the two variables accounting information completeness and financing decision making as it is shown in table 4.9 below.

Table 4.9 - Descriptive Statistics- correlation between accounting information completeness and financing decision making

	Mean	Std. Deviation	R value	Sig	Decision on HO
Completeness of accounting information	3.6333	.33257	.975	.000	Rejected
Financing decision making	3.6441	.35479			

Source: Primary Data, 2014

Results in table 4.9 above indicates that there exists a relationship between the Accounting information completeness and financing decision making in International Banks in Kampala of Uganda (r value = .975, sig= .000) the r value was big enough and above 0.05 level of significance while the sig value was small enough and below 0.05 level of significance. Further the findings indicate that accounting information in terms of completeness of accounting information positively did correlate with financing decision making constructs. The findings also indicate that the null hypothesis was rejected while the alternative was accepted.

This means that Accounting information completeness and financing decision making are significantly correlated.

This result was supported by the interview answers. Over seventy percent of those had been asked through the interview believed that they use complete and integrated information for decision making.

The findings agree with Arneld and Hope, (1990) and Siyanbola Tunji, (2012), who said that "Accounting is the language of business as it is the basic tool for recording, reporting and evaluating economic events and transactions that affect business enterprises. It processes all documents of a business financial performance from payroll, cost, capital expenditure and other obligations to sale revenue and owners' equity. It provides financial information about one's business to the internal and external users, such as managers, investors and others.

4.2.2 Relationship between accounting information completeness and asset management decision:

The researcher used SPSS analysis to investigate the relationship between accounting information completeness and asset management decision. He showed firstly how the level of responses on completeness of accounting information were high enough or low and secondly he showed the same thing about asset management decision and then he found out he they were correlated as dependent and independent variables.

The responses on asset management decision were shown in table 4.10 below:

Table 4.10 descriptive statistics- responses on asset management decision:

Your decision on asset management based on information obtained from:	Mean	Std. Deviation	Interpretation
Your asset control accounts	3.2764	.44906	Very satisfactory
Your procurement policies	2.5366	.59081	Satisfactory
Your depreciation policies	3.2358	.42622	Very satisfactory
Your accounting information obtained by your professional experts	2.5285	.59126	Satisfactory
Average mean	2.8563	.47932	Satisfactory

Source: Primary Data, 2014

Key for interpretation of means:

Rate	Response mode	Description	Interpretation
3.26-4.00	Strongly agree	You agree with no doubt at all	Very satisfactory
2.51-3.25	Agree	You agree with some doubt	Satisfactory
1.76-2.50	Disagree	You disagree with some doubt	Fair
1.00-1.75	Strongly disagree	You disagree with no doubt	Poor

Results in Table 4.10 above revealed that the level of asset management decision making were rated as Satisfactory with an (Average mean = 2.8563) in International Banks in Kampala in Uganda. This means that the respondent believe satisfactorily that asset management in international based on accounting information completeness.

When we compared these responses (in Table 4.11 above) with the responses that were shown in (table 4.8: (Descriptive Statistics - responses on completeness of accounting information) we could see easily that both of completeness of accounting information and asset management decision making levels were

61

satisfactory. The relationship between accounting information completeness and asset management decision was reflected in table 4.11 below.

Table 4.11 -Descriptive Statistics the relationship between accounting information completeness and asset management decision

	Mean	Std. Deviation	R value	Sig	Decision on HO
Completeness of accounting information	3.6333	.33257	.375	.000	Rejected
Asset management decision	2.8943	.35789			

Source: Primary Data, 2014

Results in table 4.11 above indicates that there exists a relationship between the Accounting information completeness and asset management decision making in International Banks in Kampala, Uganda (r value = .375, sig= .000) the r value was big enough and above 0.05 level of significance while the sig value was small enough and below 0.05 level of significance.

The findings also indicate that the null hypothesis was rejected while the alternative was accepted because the r- value was big enough and above 0.05 level of significance and the corresponding sig was small enough. Therefore, the null hypothesis which stated that there is no significant relationship between Accounting information completeness and asset management decision making in International Banks in Kampala in Uganda was rejected and the alternative hypothesis was Accepted. So, there is significant relationship between Accounting information completeness and asset management decision making in International Banks in Kampala in Uganda.

This result was supported by the interview answers. Over sixty percent of those had been asked through the interview believed that they use complete and integrated information for asset management and decision making.

4.2.3 Relationship between accounting information completeness and investment decision making:

The researcher used SPSS analysis to investigate the relationship between accounting information completeness and investment decision. He showed firstly the level of responses on completeness of accounting information and the level of responses on investment decision and then he tried to find out whether they were correlated as dependent and independent variables.

The responses on completeness of investment decision were shown in table 4.12 below:

Table 4.12 -Descriptive Statistics – responses on investment decision making:

Investment decision making is based on:	Mean	Std. Deviation	Interpretation
Your accounting information about earning per share	1.5691	.69047	Poor
Your accounting information about earning per bond	3.7886	.40996	Very satisfactory
Your accounting information about equity growth	1.3333	.47333	Poor
Your accounting information about project viability	2.2195	.50468	Fair
Your accounting information that produced by your financial tools	1.4797	.60530	Poor
Average mean	2.08156	.46321	Fair

Source: Primary Data, 2014

Key for interpretation of means:

Rate	Response mode	Description	Interpretation
3.26-4.00	Strongly agree	You agree with no doubt at all	Very satisfactory
2.51-3.25	Agree	You agree with some doubt	Satisfactory
1.76-2.50	Disagree	You disagree with some doubt	Fair
1.00-1.75	Strongly disagree	You disagree with no doubt	Poor

Results in Table 4.12 above revealed that responses on investment decision making rated as fair with an (Average mean = 2.08156) in International Banks in Kampala in Uganda. This means that accounting information completeness and investment decision making is fairly done at international banks in Kampala.

Put in mind the responses that were shown in (table 4.9: Descriptive Statistics - responses on completeness of accounting information whose level was very satisfactory), let us see the relationship between the completeness of accounting information and investment decision making. Table 4.13 is showing relationship between accounting information completeness and investment decision making:

Table 4.13 -Descriptive Statistics- relationship between accounting information completeness and investment decision making

	Mean	Std. Deviation	R value	sig	Decision on HO
Accounting completeness	3.6333	.33257	.226[*]	.012	Accepted
Investment decision making	2.1024	.35701			

Source: Primary Data, 2014

Results in table 4.13 above indicates that (r value = .226, sig= .012) the r value was big enough and above 0.05 level of significance while the sig value was big enough and above 0.05 level of significance. The findings indicate that the null hypothesis was Accepted while the alternative was Rejected because the r= value was big enough and above 0.05 level of significance and the corresponding sig was big enough and above 0.05 level of significance. Therefore, the null hypothesis which stated that there is no significant relationship between Accounting information completeness and investment Decision making in International Banks in Kampala in Uganda was accepted and the alternative hypothesis was rejected.

This means that accounting information completeness and investment decision making are not related.

The reason of the result above according to the interviews referred to the fact that these selected international banks in Kampala do not work on investment sector and they don't have investment policies. Instead of that they lend investors. Not investment but financing is the main work of these banks. Therefore, most of the responses about investment decision making on the questionnaire were in poor level and the average of these responses was fair.

The findings agreed with the findings of a study on the relevance of accounting information on investor's decisions" done by Perera and Thrikawala, (2010) from University of Kelaniya, Srilanka. They said that "Recent empirical work has suggested that Accounting Information (AI) have lost their relevance to investors significantly over the past few decades.

4.2.4 Relevance of accounting information and financing decision making decision making:

The researcher investigated the relationship between relevance of accounting information and financing decision. He showed firstly the level of responses on relevance of accounting information and the level of responses on financing decision and then he tried to find out whether they were correlated as dependent and independent variables.

The responses on of relevance of accounting information were shown in table 4.14 below:

Table 4.14: The responses about the relevance of accounting information:

Your accounting information gives:	Mean	Std. Deviation	Interpretation
Explicit idea about earning per share	3.7886	.40996	Very satisfactory
Explicit idea about loss and profit	3.4634	.50070	Very satisfactory
Explicit idea about interest rate	3.4634	.50070	Very satisfactory
Explicit idea about equity growth	3.7886	.40996	Very satisfactory
Explicit idea about daily currency price	3.7886	.40996	Very satisfactory
Explicit idea about asset value	3.4634	.50070	Very satisfactory
Explicit idea about debts and debtors	3.7886	.40996	Very satisfactory
Explicit idea about creditors	3.4634	.50070	Very satisfactory
Explicit idea about investment projects	3.7886	.40996	Very satisfactory
Average mean	3.5453	.46783	Very satisfactory

Source: Primary Data, 2014

Key for interpretation of means:

Rate	Response mode	Description	Interpretation
3.26-4.00	Strongly agree	You agree with no doubt at all	Very satisfactory
2.51-3.25	Agree	You agree with some doubt	Satisfactory
1.76-2.50	Disagree	You disagree with some doubt	Fair
1.00-1.75	Strongly disagree	You disagree with no doubt	Poor

Results in Table 4.14 above revealed that relevance of accounting information was rated as Very Satisfactory with an **(Average mean = 3.5453)** in International Banks in Kampala in Uganda. This means that accounting information is relevant.

The level of financing decision making was very satisfactory (table 4.9).

Let us to see the relationship between accounting information relevance and financing decision which was reflected on table 4.15 below.

Table 4.15 Relationship between the relevance of accounting information and financing decision

	Mean	Std. Deviation	R value	Sig	Decision on HO
Accounting information relevance	3.6441	.35479	1.000	.000	Rejected
Financing decision making	3.6441	.35479			

**. Correlation is significant at the 0.01 level (2-tailed).
Source: Primary Data, 2014

Results in table 4.15 above indicates that there is a relationship between the relevance of accounting information and financing Decision making in International Banks in Kampala of Uganda (r value = 1.000, sig= .000) the r value was big enough and above 0.05 level of significance while the sig value was

small enough and below 0.05 level of significance. Therefore, the null hypothesis which stated that there is no significant relationship between Accounting information relevance and financing decision making in International Banks in Kampala in Uganda was rejected and the alternative hypothesis was accepted. This means that accounting relevance and financing decision making are significantly correlated.

The findings were supported by the interview results. More than 80% of the respondents said that financial statements and notes can provide them the information that related to their positions and in the suitable time.

These findings agreed with Siyanbola, Trimisiu Tunji (2012) in his study about "accounting information as an aid to management decision making" in which revealed he said: "Since t-calculated is greater than the table value (i.e. 26.17 > 1.68), then the null hypothesis is rejected, while the alternative hypothesis is accepted and conclude that there is a significant relationship between time factor and accounting information".

The findings also agreed with what was said by Dumitrana et al., (2008), in a study about the use of the accounting information on decision making in the hospitality business". They argued that systems represent the language of business because cost, price, sales volume, profits and return on investment are all accounting information measurements and the purpose of accounting information is to provide information that is useful in Decision making.

The findings also agreed with the findings of a study about" An Evaluation of the Relevance of Accounting Systems as a Management Decision Tool in Union Bank of Nigeria Plc, Uyo Branch of Akwa Ibom" done by Ogah Idagu Joseph (2013) from Cross River University of Technology, Nigeria who said: "Recently in Nigeria, there has been an alarming rate of mismanagement of resources, frauds, embezzlements and inefficiency in her financial business environment resulting in the close down of many financial institutions and the arrest of the Chief Executive

Officers of affected banks. This may be due to the lack of use of relevant and up-to-date accounting information system by management in their decision-making process.

4.2.5 The relationship between authenticity of accounting information and financing decision making

The researcher used SPSS analysis to investigate the relationship between authenticity of accounting information and financing decision. He showed firstly the level of responses on authenticity of accounting information and the level of responses on financing decision and then he tried to find out whether they were correlated as dependent and independent variables.

The responses on authenticity of accounting information were shown in table 4.16 below:

Table 4.16: Responses on authenticity of accounting information

	Mean	Std. Deviation	Interpretation
Accounting information prepared by a qualified team of accountants	3.2276	.42103	Very satisfactory
Your accounting reports give an explicit idea about creditors	3.5041	.50203	Very satisfactory
There is a financial and accounting system identify explicitly the duties, responsibilities, and rights of each worker at the bank	3.2276	.42103	Very satisfactory
Duties of accountants and workers are clearly separated	2.4878	.76143	Very satisfactory
Your bank always adopts same depreciation policies	3.2683	.44488	Very satisfactory
Assets evaluation always done by professional experts	2.4878	.76143	Very satisfactory
Accounting and financial processes audited by internal auditor	3.7886	.40996	Very satisfactory
Accounting and financial processes audited by external auditor	3.2276	.42103	Very satisfactory
Average mean	3.1784	.491223	Very satisfactory

Source: Primary Data, 2014

Key for interpretation of means:

Rate	Response mode	Description	Interpretation
3.26-4.00	Strongly agree	You agree with no doubt at all	Very satisfactory
2.51-3.25	Agree	You agree with some doubt	Satisfactory
1.76-2.50	Disagree	You disagree with some doubt	Fair
1.00-1.75	Strongly disagree	You disagree with no doubt	Poor

Results in Table 4.16 above revealed that authenticity of accounting information was rated as Very Satisfactory with an (Average mean = 3.174) in International Banks in Kampala in Uganda. This means that accounting information in international banks is authentic to the users.

The findings agreed with the result of the interview answers. The respondents confirmed satisfactorily that the accounting information consisted in the financial statements are always audited, credible and reliable accounting information.
The level of financing decision making was also very satisfactory (table 4.9).

Let us to see the relationship between authenticity of accounting information and financing decision which was reflected on table 4.17 below.

Table 4.17 Descriptive Statistics -the relationship between Accounting information authenticity and financing decision making

	Mean	Std. Deviation	R value	Sig	Decision on HO
Authenticity of accounting information	3.4258	.56581	.460	.000	Rejected
Financing decision making	3.6441	.35479			

**. Correlation is significant at the 0.01 level (2-tailed).
Source: Primary Data, 2014

Results in table 4.17 above indicates that there is a relationship between the Accounting information authenticity and financing Decision making in International Banks in Kampala of Uganda (r value = .460, sig= .000) the r value was big enough and above 0.05 level of significance while the sig value was small enough and below 0.05 level of significance. Therefore, the null hypothesis which stated that there is no significant relationship between Accounting information authenticity and financing Decision making in International Banks in Kampala in Uganda was Rejected and the alternative hypothesis was Accepted.

The findings agreed with the result of the interview answers. The respondents confirmed satisfactorily that decision making on financing depends on audited, credible and reliable accounting information.

The result agreed with Siyanbola Tunji, (2012) when he said "Based on the findings it was recommended that companies should employ professional accountants in order to provide valuable information and keep accurate record of their accounts"

Also the findings agreed with Wynn and Maldonado, (2007) and Shrkasi and Wynn, (2011) They said that implementation of AIS can be a costly process, but finally it contributes to the organizations subsequent long-term productivity and profitability, and effective project management in systems implementations and proper training and skills enhancement for the systems users are key factors in achieving this.

4.2.6 The relationship of accessibility of accounting information and financing decision making

The researcher investigated the relationship between accounting information accessibility and financing decision. He showed firstly the level of responses on accessibility of accounting information and the level of responses on financing decision and then he tried to find out whether they were correlated as dependent and independent variables.

The responses on accessibility of accounting information were shown in table 4. 18 below:

Table 4.18: Responses on Accessibility of accounting information

Descriptive Statistics- responses on accessibility of accounting information			
At your bank	Mean	Std. Deviation	Interpretation
Financial statements are easily accessed by customers	2.2195	.50468	Fair
Financial statements are easily accessed by creditors	3.2764	.44906	Very satisfactory
Financial statements are easily accessed by Debtors	3.7236	.44906	Very satisfactory
Financial statements are easily accessed by Investor	3.7317	.44488	Very satisfactory
Financial statements are easily accessed by mangers of different sections	2.2195	.50468	Fair
Financial statements are easily accessed by government institution	3.7236	.44906	Very satisfactory
Financial statements can be approached via internet	2.3659	.63075	Fair
financial statements are published to all stake holders	3.7398	.44052	Very satisfactory
Average mean	2.7854	.489702	Satisfactory

Source: Primary Data, 2014

Key for interpretation of means:

Rate	Response mode	Description	Interpretation
3.26-4.00	Strongly agree	You agree with no doubt at all	Very satisfactory
2.51-3.25	Agree	You agree with some doubt	Satisfactory
1.76-2.50	Disagree	You disagree with some doubt	Fair
1.00-1.75	Strongly disagree	You disagree with no doubt	Poor

Results in Table 4.18 above revealed that accessibility accounting information was rated as Satisfactory with an **(Average mean = 2.7854)** in International Banks in Kampala in Uganda. This means that accounting information is easily accessible in international banks.

The findings agreed with the result of the interview. Over than 75% of those had been asked stated that the accounting information were easily accessed by accounting information users.

The level of financing decision making was also very satisfactory (table 4.9).

Let us to see the relationship between authenticity of accounting information and financing decision which was reflected on table 4.19 below.

Table 4.19 Descriptive Statistics - the relationship between accessibility of accounting information and financing decision making

	Mean	Std. Deviation	r- value	sig	Decision on HO
Accounting accessibility	3.1281	.33586	.588	.000	Rejected
Financial decision making	3.6441	.35479			

**. Correlation is significant at the 0.01 level (2-tailed).
Source: Primary Data, 2014

Results in table 4.19 above indicates that there is a relationship between the Accounting information accessibility and financing Decision making in International Banks in Kampala of Uganda (r value = .588, sig= .000) the r value was big enough and above 0.05 level of significance while the sig value was small

enough and below 0.05 level of significance. The findings also indicate that the null hypothesis was rejected while the alternative was accepted because the r= value was big enough and above 0.05 level of significance and the corresponding sig was small enough. Therefore, the null hypothesis which stated that there is no significant relationship between Accounting information accessibility and financing Decision making in International Banks in Kampala in Uganda was rejected and the alternative hypothesis was accepted.

This means that accounting information accessibility and financing decision making are significantly correlated.

These findings agreed with the findings of the research hold by Mia (1994) which revealed that " the findings show that accessibility to information relating to the main transaction of an organization leads to a categorized detailed information which facilitates decision making in any difficult situation Mia (1994).

4.2.7: Significant relationship between Accounting information and decision making.

The PLCC was used to determine if there was a significant relationship between accounting information and Decision making at International Banks in Kampala at 0.05 level of significance and determine significance relationship in the variables to help the researcher accept or reject the null hypothesis and the alternative hypothesis. The results are presented in table 4.20 below.

Table 4.20 Descriptive Statistics

	Mean	Std. Deviation	R value	sig	Decision on HO
IV	3.0625	.28391	.671	.000	Rejected
DV	2.2016	.33230			

**. Correlation is significant at the 0.05 level (2-tailed).

Results in table 4.20 above indicate that there is a relationship between the Accounting information and Decision making in International Banks in Kampala, Uganda (r value = .671, sig= .000) the r value was big enough and above 0.05 level of significance while the sig value was small enough and below 0.05 level of significance. Therefore, the null hypothesis which stated that there is no significant relationship between accounting information and decision making in International Banks in Kampala in Uganda was Rejected and the alternative hypothesis which stated that there is a significant relationship between Accounting information and Decision making between International Banks in Kampala in Uganda was Accepted.

These findings agreed with Siyanbola, Trimisiu Tunji (2012) in his study about "accounting information as an aid to management decision making" in which revealed he said: "Since t-calculated is greater than the table value (i.e. 30.54 > 1.68), then the null hypothesis is rejected, while the alternative hypothesis is accepted and conclude that accounting information has significant effect on management decision".

It is important to note that existence of a relationship between accounting information and decision making in international banks in Kampala does not

imply a causal relationship. So, in the following section, the researcher sought to further investigate cause – effect relationship between the two as regression results indicate below.

Table 4.21: Regression analysis between accounting information and decision making

Variables regressed	Adjusted R Square	F	Sig.	Decision on H_o
Decision making against accounting information	.446	99.034	.000[a]	rejected

Coefficients[a]					
	Unstandardized Coefficients		Standardized Coefficients		
Model	B	Std. Error	Beta	T	Sig.
1 (Constant)	.203	.243		.837	.404
IV	.785	.079	.671	9.952	.000

a. Dependent Variable: Decision Making

Source: primary data 2014

From table 4.22 above since the sig value is smaller than 0.05 at 5 % level of significance we reject the null hypothesis and accept the alternative hypothesis and conclude that the said two categories (accounting information as independent variable and decision making as dependent variable are significantly co-related, that is, they are dependent. The following empirical model can be deduced:

DM = 0.203 + 0.785AI

Where;

DM = Decision making

AI = Accounting Information

From the equation above it is revealed that 78.5% variations in decision making in international banks in Kampala, Uganda are caused by accounting information; which means that other factors contribute 21.5% variations in decision making in these banks. These factors are non-accounting information such as: Government regulations, perception of the accounting information users such as managers and shareholders, market competition factors and cross border factors such financial crisis.

CHAPTER FIVE

DISCUSSION, CONCLUSION AND RECOMMENDATIONS

5.0 Introduction

This chapter discusses the findings in chapter four in relation to the objectives of the study. It is subdivided into four sections. The first section presents the discussion in the levels of the study variables. The second section presents the conclusion. The third section presents the recommendations. The fourth section presents and suggests areas for further study.

5.1 Objective one: Determining the Level of the independent variable (accounting information) and dependent variable (decision making)

Results in Table 4.7 revealed that responses on completeness of accounting information was rated as Very Satisfactory with an (Average mean = 3.5671) in International Banks in Kampala in Uganda.

It means that the respondents believed at very satisfactory level that the accounting information was complete.

Results in Table 4.9 above revealed that the responses on financing decision were rated as Very Satisfactory with an (Average mean = 3.246)

It means that the respondents believed at very satisfactory level that the financing decision making was based on accounting information completeness.

Results in Table 4.11 above revealed that the responses on asset management decision making were rated as Satisfactory with an (Average mean = 2.8563).

It means that the respondents believed at satisfactory level that the asset management decision making was based on accounting information completeness.

Results in Table 4.13 above revealed that responses on investment decision making rated as fair with an **(Average mean = 2.08156).**

It means that the respondents believed fairly that the investment decision making was based on accounting information completeness

Results in Table 4.15 above revealed that relevance of accounting information was rated as Very Satisfactory with an (Average mean = 3.5453).

It means that the respondents believed at very satisfactory level that the accounting information was relevant.

Results in Table 4.17 above revealed that authenticity of accounting information was rated as Very Satisfactory with an (Average mean = 3.174).

It means that the respondents believed at very satisfactory level that the accounting information was authentic.

Results in Table 4.19 above revealed that accessibility accounting information was rated as Satisfactory with an (Average mean = 2.7854)

It means that the respondents believed at very satisfactory level that the accounting information was accessible by the users of accounting information.

5.2 Objective two: the relationship between Decision making components as dependent variable and the components of accounting information as independent variable in International Banks in Kampala

Table 4.10 indicates that there is a relationship between the Accounting information completeness and financing decision making in International Banks in Kampala of Uganda (r value = .975, sig= .000) the r value was big enough and above 0.05 level of significance while the sig value was small enough and below

79
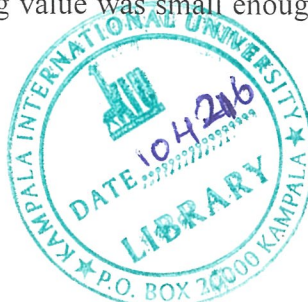
0.05 level of significance. The findings indicate that the null hypothesis was rejected while the alternative was accepted.

Results in table 4.12 indicates that there was a relationship between the Accounting information completeness and asset management decision making in International Banks in Kampala, Uganda (r value = .375, sig= .000) the r value was big enough and above 0.05 level of significance while the sig value was small enough and below 0.05 level of significance. So, that the null hypothesis was rejected while the alternative was accepted.

Results in table 4.14 indicates that that there is a relationship between the completeness of accounting information and investment Decision making in International Banks in Kampala of Uganda (r value = .226, sig= .012) the r value was big enough and above 0.05 level of significance while the sig value was big enough and above 0.05 level of significance. Therefore, the null hypothesis was accepted while the alternative was rejected.

Results in table 4.16 indicates that there is a relationship between the relevance of accounting information and financing Decision making in International Banks in Kampala of Uganda (r value = 1.000, sig= .000) the r value was big enough and above 0.05 level of significance while the sig value was small enough and below 0.05 level of significance. Therefore, the null hypothesis was rejected and the alternative hypothesis was accepted.

Results in table 4.18 indicates that there is a relationship between the Accounting information authenticity and financing Decision making in International Banks in Kampala of Uganda (r value = .460, sig= .000) the r value was big enough and above 0.05 level of significance while the sig value was small enough and below 0.05 level of significance. Therefore, the null hypothesis which stated that there

is no significant relationship between Accounting information authenticity and financing Decision making in International Banks in Kampala in Uganda was rejected and the alternative hypothesis was Accepted.

Results in table 4.20 indicates that there is a relationship between the Accounting information accessibility and financing Decision making in International Banks in Kampala of Uganda (r value = .588, sig= .000) the r value was big enough and above 0.05 level of significance while the sig value was small enough and below 0.05 level of significance. Therefore, the null hypothesis which stated that there is no significant relationship between Accounting information accessibility and financing Decision making in International Banks in Kampala in Uganda was rejected and the alternative hypothesis was accepted.

5.3 Objective Three: To determine the significant relationship between Accounting information and Decision making

Results in table 4.21 indicate that there is a relationship between the Accounting information and Decision making in International Banks in Kampala of Uganda (r value = .671, sig= .000) the r value was big enough and above 0.05 level of significance while the sig value was small enough and below 0.05 level of significance. Therefore, the null hypothesis which stated that there is no significant relationship between accounting information and decision making in International Banks in Kampala in Uganda was rejected and the alternative hypothesis which stated that there is a significant relationship between Accounting information and Decision making between International Banks in Kampala in Uganda was accepted.

The regression analysis (table 4.22) and the equation (DM = 0.203 + 0.785AI), confirmed the significant relationship between decision making as dependent variable and accounting information as independent variable.

Since the sig value is smaller than 0.05 at 5 % level of significance we reject the null hypothesis and accept the alternative hypothesis and conclude that the said two categories (accounting information as independent variable and decision making as dependent variable are significantly co-related, that is, they are dependent.

5.2.Conclusion

From the study findings and the corresponding discussions, the study drew the following conclusions.

The study was to determine the relationship between accounting information as independent variable and decision making at International Banks in Kampala in Uganda. The study was hold on four international banks in Kampala: Tropical bank, Cairo bank (main branch and Bogolobye branch). Equity bank (main branch, Wandageya branch and Nakasero branch) and Stanpic bank (main branch and Nakasero branch). The number of respondents at this study was 123 persons composed of managers, chief accountants, accountants, auditors and others. There were 6 questionnaires not retrieved.

The researcher used questionnaire for collecting data. After data collection he analyzed the data using SPSS analysis. The questionnaire was supported by the interview.

The level of accounting information among respondents in International Banks in Kampala was satisfactory on average in terms of - Completeness of accounting information, relevance of accounting information, authenticity of accounting information and accessibility of accounting information.

The level of responses on decision making was very satisfactory in terms of, financing decision, asset management decision. But it was fair on term of Investment decision.

The findings of the study revealed that there was a significant relationship between Accounting information and decision making.

5.3.Recommendations

The recommendations are based on the objectives of the study as follows;

1- As accounting information has an effect on decision making at International Banks in Kampala the study recommended them to emphasize more on autonomy of International Banks in terms of authenticity, completeness, relevance and accessibility of accounting information. International Banks in Kampala should work on these terms so as to improve decision making process and its relevancy in business.

2- The study also recommended these banks to be transparent while disclosing financial statements.

3- The study also recommended managers of the international banks in Kampala to increase their dependence on relevance and accurate accounting information and decrease dependence on other factors such as (man intuition) while they make business decisions.

5.4.Areas for further studies

The research investigated the relationship between accounting information as independent variable and Decision making as dependent variable in international banks in Kampala, Uganda.

Further research can be made on the following:

1- The relationship between accounting information and Decision making in local banks in Kampala, Uganda.

2- The relationship between government regulations and decision making in international banks in Kampala, Uganda.

3- The relationship between government regulations and decision making in local banks in Kampala, Uganda.

4- The relationship between managers' intuition and decision making in commercial banks in Kampala, Uganda.

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APPENDICES
APPENDIX 1A
TRANSIMITTAL LETTER
OFFICE OF THE DEPUTY VICE CHANCELLOR (DVC)
COLLEGE OF HIGHER DEGREES AND RESEARCH (CHDR)

RE: INTRODUCTION LETTER TO CONDUCT RESEARCH IN YOUR INSTITUTION

Mr. Mohamed Ahmed Elsheikh Omer, is a bonafied postgraduate student of Kampala International University pursuing Masters of Business Administration.

He is currently conducting a field research for his thesis entitled "Accounting Information and decision making in International Banks in Kampala. Your institution has been identified as a valuable source of information pertaining to his research project.

The purpose of this letter is to request you to avail him with the pertinent information he may need.

Any information shared with him will be used for academic purposes only and shall be kept with utmost confidentiality.

Any assistance rendered to him will be highly appreciated.

Yours truly

Novembrieta R. Sumil,

PhD. Deputy Vice Chancellor, CHDR

APPENDIX 1B
TRANSIMITTAL LETTER FOR THE RESPONDENTS

Dear Sir/ Madam,

Greetings!

I am a Masters of Business Administration candidate of Kampala International University. Part of the requirements for the award is my thesis. My study is entitled," Accounting Information and decision making in International Banks in Kampala.

Within this context, may I request you to participate in this study by answering the questionnaires. Kindly do not leave any option unanswered. Any data you will provide shall be for academic purposes only and no information of such kind shall be disclosed to others.

Thanking you in Advance for your cooperation.

Yours faithfully

Mohamed Ahmed Elsheikh Omer

APPENDIX 11

CLEARANCE FROM THE ETHICAL COMMITTE

Date ; ....

Candidate's Data

Name: Mohamed Ahmed Elsheikh Omer.

Reg. No: MBA/39349/123/DU

Course: MASTERS OF BUSINESS ADMINISTRATION

Title of the study "Accounting Information and decision making in International Banks in Kampala".

Ethical Review Checklist

The study review will consider the following;

- Physical safety of human subjects, Psychological Safety Emotional Security
- Privacy
- Written request for Author of standardised instrument
- Coding of questionnaires! Anonymity and confidentiality.
- Permission to conduct study of informed consent.
- Citations! Authors recognised Results of Ethical Review Approved.
- Conational (to provide the Ethics Committee with Corrections).
- Disproved; Resubmit Proposal

Ethics Committee (Name Signature)

Chairperson Members

APPENDIX III
INFORMED CONSENT

I am giving my consent to be part of the study of Mr. Mohamed Ahmed Elsheikh Omer.

I will focus on "Accounting Information and decision making in International Banks in Kampala".

I shall be assured of privacy, anonymity and confidentiality and that I will be given the option to refuse participation and the right to withdraw my participation any time. I have been informed that the research is voluntary and that the results will be given to me if asked for it.

Initials: ....

Date: ....

APPENDIX IV A
FACE SHEET: DEMOGRAPHIC CHARACTERISTICS OF THE RESPONDENTS

Gender (Please Tick)

_____ (1) Male _____ (2) Female

Age (Please Tick)

Below 20	
20 - 29	
30 - 39	
40 - 49	
50 Above	

Marital status (please tick)

Married	
Single	
Widowed	

Position:

General Manager ☐ Executive manager ☐ financial manager ☐
Department manager ☐ Chief accountant ☐ Accountant ☐ Other ☐

Qualifications Under Education Discipline (Please Tick):

Certificate	
Diploma	
Bachelors	
Masters	
Ph. D	
Others (Specify)	

Experience (Please Tick)

Less than 5 years	
From 6 to 10 years	
From 11 to 20 years	
More than 20 years	

APPENDIX IV B

RESEARCH INSTRUMENTS

Part two: questionnaire about (IV) Accounting Information that obtained from financial statements for decision making at your bank

    1- Completeness of accounting information

The group of books and accounts that are prepared at your bank:

Rate	Response mode	Description	Interpretation
4	Strongly agree	You agree with no doubt at all	Very satisfactory
3	Agree	You agree with some doubt	Satisfactory
2	Disagree	You disagree with some doubt	Fair
1	Strongly disagree	You disagree with no doubt	Poor

Direction: Please tick your rating on the space under each column which corresponds to your best choice.

No		Rating			
		4	3	2	1
	There is enough number of accountants				
	You keep journal books for daily transactions				
	You keep ledger books to summarize and classify all transactions				
	You record every transaction of accounts receivable				
	You record every transaction of accounts payable				
	You have a book for every asset				
	You have books for all customers				
	You have books for all clients				
	You have a book for every shareholder				
	There is a control account for stocks				

	There is a control account for ponds				
	There is a control account for assets				
	There is a control account for every investment project				
	You summarize all accounts in a trial balance monthly				
	You summarize all accounts in a trial balance quarterly				
	Your computerized account system allow all mentioned above				
	You hire professional analyzers to utilize your accounting information efficiently				
	Your bank uses financial analysis tools to analyze its financial projects				
	Your bank uses capital budgeting techniques to analyze financial information on projects				
	You have clear procurement policies and guides				

The importance of preparing financial statements at your bank as you believe

Direction: Please tick your rating on the space under each column which corresponds to your best choice.

Rate	4	3	2	1
Response mode	Very strongly important	Strongly important	Important moderately	Not important
Income statement				
Balance sheet				
Cash flow statement				
Change in equity st.				
Notes on statements				

Rotation of preparing financial statements:

	Descriptions	Annually	Half Annually	Quarterly	Monthly	Not prepared
1	Income statement					
2	Balance sheet					
3	Cash flow statement					
4	Change in equity st.					

2- Relevance of accounting information

Rate	Response mode	Description	Interpretation
4	Strongly agree	You agree with no doubt at all	Very satisfactory
3	Agree	You agree with some doubt	Satisfactory
2	Disagree	You disagree with some doubt	Fair
1	Strongly disagree	You disagree with no doubt	Poor

Direction: Please tick your rating on the space under each column which corresponds to your best choice.

Your books and accounts provide you the following:

		Rating			
No		4	3	2	1
	Explicit idea about earning per share				
	Explicit idea about loss and profit				
	Explicit idea about interest rate				
	Explicit idea about equity growth				
	Explicit idea about daily currency price				

	Explicit idea about asset value				
	Explicit idea about debts and debtors				
	Explicit idea about creditors				
	Explicit idea about investment projects				

3- Authenticity of accounting information

Rate	Response mode	Description	Interpretation
4	Strongly agree	You agree with no doubt at all	Very satisfactory
3	Agree	You agree with some doubt	Satisfactory
2	Disagree	You disagree with some doubt	Fair
1	Strongly disagree	You disagree with no doubt	Poor

Direction: Please tick your rating on the space under each column which corresponds to your best choice.

		Rating			
No		4	3	2	1
	Accounting information prepared by a qualified team of accountants				
	There is an explicit guideline (textbook) showing how accounting transactions are done accurately				
	There is a financial and accounting system identify explicitly the duties, responsibilities, and rights of each worker at the bank				
	Duties of accountants and workers are clearly separated				
	Your bank always adopts same depreciation policies				
	Assets evaluation always done by professional experts				
	Accounting and financial processes audited by internal auditor				
	Accounting and financial processes audited by external auditor				

98

4- Accessibility of accounting information

Rate	Response mode	Description	Interpretation
4	Strongly agree	You agree with no doubt at all	Very satisfactory
3	Agree	You agree with some doubt	Satisfactory
2	Disagree	You disagree with some doubt	Fair
1	Strongly disagree	You disagree with no doubt	Poor

Direction: Please tick your rating on the space under each column which corresponds to your best choice.

Your accounting information can be approached easily by the following:

No		Rating			
		4	3	2	1
	Customers				
	Creditors				
	Debtors				
	Investors				
	Managers of different sections in the bank				
	Government institutions				
	Financial statements can be approached via internet				
	Financial statements are published to all stakeholders				

Part three: questionnaire about (DV) decision making and the impact of Accounting Information that obtained from financial statements at your bank

1- Investment decision.

Rate	Response mode	Description	Interpretation
4	Strongly agree	You agree with no doubt at all	Very satisfactory
3	Agree	You agree with some doubt	Satisfactory
2	Disagree	You disagree with some doubt	Fair
1	Strongly disagree	You disagree with no doubt	Poor

Direction for investment: Please tick your rating on the space under each column which corresponds to your best choice.

Your decision on investment is based on:

		Rating			
No		4	3	2	1
	Your accounting information about earning per share				
	Your accounting information about earning per bond				
	Your accounting information about equity growth				
	Your accounting information about project viability				
	Your accounting information that produced by your financial tools				

2- Financing decision.

Rate	Response mode	Description	Interpretation
4	Strongly agree	You agree with no doubt at all	Very satisfactory
3	Agree	You agree with some doubt	Satisfactory
2	Disagree	You disagree with some doubt	Fair
1	Strongly disagree	You disagree with no doubt	Poor

Direction for financing: Please tick your rating on the space under each column which corresponds to your best choice.

Your decision on financing is based on:

No		Rating			
		4	3	2	1
	Your accounting information about share price				
	Your accounting information about bond price				
	Your accounting information about interest rate				
	Your accounting information about debts				
	Your accounting information about project viability				
	Your accounting information that produced by your financial tools				

3- Asset management Decision.

Rate	Response mode	Description	Interpretation
4	Strongly agree	You agree with no doubt at all	Very satisfactory
3	Agree	You agree with some doubt	Satisfactory
2	Disagree	You disagree with some doubt	Fair
1	Strongly disagree	You disagree with no doubt	Poor

Direction for financing: Please tick your rating on the space under each column which

Your decision on assets management is based on:

No		Rating			
		4	3	2	1
	Your accounting information obtained from asset control accounts				
	Your procurement policies				
	Your depreciation policies				
	Your accounting information obtained by your professional experts				

Part four: questionnaire about inter variable at your bank

Government policies and Regulations

Rate	Response mode	Description	Interpretation
4	Strongly agree	You agree with no doubt at all	Very satisfactory
3	Agree	You agree with some doubt	Satisfactory
2	Disagree	You disagree with some doubt	Fair
1	Strongly disagree	You disagree with no doubt	Poor

Direction for financing: Please tick your rating on the space under each column
which

Your financial statement are given to government institutions for

		Rating			
No		4	3	2	1
	Tax				
	Monitoring and evaluation				
	Statistical data				
	Decision on GDP (gross domestic product)				
	Getting loans from central bank				

Interview guide for the respondents

1. How long have you worked on banking?

2. How do you find the work on banking?

3. Do you thing that the number of females is bigger than the number of males in banking sector?

4. Why do you think that females are recruited more than males?

5. Banking owners prefer recruiting young people because they can accept small salaries, do you agree?

6. Why do you prefer working with the banking sector?

7. Do you think that banks in Uganda avoid investment?

8. Do you thing that assets' management completely depends on accounting information?

9. Accounting information in banking in Uganda used only for financing decision, do you agree?

10. Do you think that banking sector in Uganda is successful?

11. Do you think that accounting information is accessible to users?

12. Do you think that accounting information that consisted in the financial statements is complete and comprehensive?

13. Do you think that accounting information that consisted in the financial statements is audited and credible?

14. Are you satisfy about the accounting information system at your bank?

15. Do you need to add anything?