

THE ROLE OF FINANCIAL STATEMENTS ON INVESTMENT DECISION MAKING: A CASE OF UNITED BANK FOR AFRICA PLC (2004-2013)**Anaja Blessing & Emmanuel E. Onoja (PhD)**Department of Accounting, Faculty of Management Sciences, Kogi State University, Anyigba
Kogi State, NIGERIA**ABSTRACT**

This study analyzes the role of financial statements on investment decision making: a case of United Bank for Africa Plc. in Nigeria. 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 general objective is to ascertain the role of financial statement on investment decision making in United Bank for Africa Plc. of Nigeria. This study used the secondary data from ten years financial statements of the bank. Ordinary least squares (OLS) regression method of analysis, was adopted to test the hypotheses. The parameter estimates of the regression equation obtained revealed that, the transparency of financial statements of the bank has significant influence on the investment decision making of the users of financial statements. All the parameter estimates employed in the regression equation were statistically significant via the test of hypotheses. It is an indication that, the model for this research work is good for investment decision making by the prospective investors and policy making purposes by the management of the bank. From the descriptive statistics and percentage analysis used for the verification of the questionnaire collected via survey method; the results reveal 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. It also showed that investors do understand the financial statement well before making investment. 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 and as such published financial statement is very important in the investors' decision making. We therefore agreed that, profitability, assets, liabilities and equities of banks are significant ways of evaluating the performance of a bank report on investment decision making. We therefore, recommended that adequate care and due diligence should be maintained in preparation of financial statements to avoid faulty investment decisions which could lead to loss of funds and possible litigations. The study proffered other proper recommendations emanating from the findings.

Keywords: Financial Statements, Investments Decisions, UBA Plc., Nigeria.