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Financial Statement information Content And Shareholder's Investment Decision: Evidence From Consumer Goods Firmms In Nigeria.

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I. INTRODUCTION

Corporate organizations have the responsibility to comprehensively prepare and publish their audited financial report for investment and other users. Corporate organizations owe a duty to fully disclose matters concerning their operationsso as to aid investors in making investment decisions. Both large and small organizations in addition to satisfying the legislating requirement tend to retain existing investors and to attract potential ones through the publication of their financial statements where the capital stock of a corporation is widely held and its affairs are of interest to general public relations. It was observed that the role of financial statement on investment decision making of financial institutions in Nigeria has some problems to both investors and managers of business organizations who are either not aware of the importance of interdependence relationship that exist between investors and corporate organizations.

Recent research has shown that accounting quality as shown in the financial reporting is the most basic input into any informed economic decision making and a value relevance in public equity market (Barth, Beaver & Landsman 2012: Kothari 2012). The amount of information disclosed by organizations in corporate reports has considerably expanded in recent times, although reliability and accounting quality on same have proven little to be desired with the recent increase in collapse of world class financialinstitutions among others which necessitated the increased pressure for optimal disclosures in corporate report. Financial statements contain information that can provide valuable insights into a company's financial performance and position when properly analyzed and interpreted. These statements not only report a firm's position at a time but also provide insights regarding its operations over past periods which stimulate investment decisions.

Many investors have carried out investment on risk bearing shares of their firms of interest placing little emphasis on the analysis of the information content of financial statements of such firms (Mercy, 2013). This is as a result of too many controversies and arguments noted from the previous studies on those financial ratios that havean effect on shareholders' fund. The controversies and arguments befuddled both the potential and prospective shareholders over those financial ratios that would help in determining those investments that would generate more profitable returns in the future, predict the firms' future earnings, dividend and financial positionand potential investors make an information judgment on whether to invest or otherwise. Similar information is also needed to help current investors monitor adequately what has happened or is happening to their investments especially in terms of the extent to which their aspirations on the investment has been or are being realized (Ariyo, 2007). With the recent adoption, strict compliance and practice of IFRS, accounting quality has been considerable improved. The objective of financial statement is to provide quality accounting information about the financial performance, position and stability of an establishment which is used to wide range of users in making economic decision. The statement of principles emphasize that the key characteristicof the information contained in the financial statement is that it should be useful and shall be analyzed a way of interpretation, simplification and transaction of facts and data contained in the financial statements. The essence of this is to draw relevance conclusions, make inferences as to the business operation, financial position and future prospects of the organizations.

The preparation of a company financial statement s are regulated by the Companies and Allied Matter Act 2009 as amended and the accounting standards for example, section 331 of

CAMA 2009 as amended provides the procedures which management of every registered public limited liability company should follow in the preparation of their financial statement. Section 334 0f CAMA 2009 on the same vein prescribes the duties of the directors in preparation of financial statement. Accounting standard on the other hand set the underlying standards for the preparation of the financial statement. The Sole aim of preparing financial statement is to report to the shareholders who are the owners of the company on the financial performance of the company. When shareholders receive the financial statements of the company they have invested in , most of them simply loo to see whether the business has made profit and then put the document away. They are aware of only one thing that is, that the company has made profit. They do not know if it was a good profit nor do they know whether there was any deferment from the profit earned in the previous years.

Previous studies however noted conflicting and mixed results on the effect of information content of financial reporting on shareholders' investment decisions and thus brought about too many arguments and controversies on the effect of information content of financial reporting on investment decisions of shareholders of firms listed on Nigerian Stock Exchange (Mercy, 2013; Michael, 2013). Ekwe (2013) argued that quality of accounting information is measured based on the information content of the accounting which comes inform of financial report and resultant effect of such information on decisions of the users. He consequently noted that the effect of information content of financial statements on investment decision making of financial institutions in Nigeria have some problems to both investors and managers of business organizations who are either not aware of the importance of interdependence relationship that exist between investors and financial organizations.

By human initiatives, there might be the tendency of the management preparing progress statement of account to suit their own interest instead of giving proper and correct information to the owners and investors. The management annual financial statement may contain error and may not disclose all information required by law. In respect to this, audit of the financial statement is therefore necessary to ensure accounting quality and also to ensure that it gives a true and fair view and most useful approach to analyze financial statements is by computing relevant ratios and converting the absolute into relative figures following direct comparison to be made (Nwoha, 1998).

The vital information needed about the investment decisions of the shareholders is concerned with the financial aspect as contained in the financial statement. The study however could assist in identifying the means through which meaningful decisions could be derived as to enhance the changes available for investment entities or firms through analyzing information concerning such investment opportunities.

II. STATEMENT OF PROBLEM

The insurgence of corporate failures, like that of Enron Corporation and World.com in the year 2002 and other accounting scandals compounded by the global energy, food and financial crisis leading to credit squeeze across the globe, has partly been attributed to impact of financial statement manipulations which portrayed some ailing company as if they were sound. In Nigeria also, corporate failures and distresses have been witnessed in the non-financial sector. Evidence was the huge collapse of the firms all due to massive accounting related frauds. This problem resulted in the establishment of Asset Management Company of Nigeria (AMCON) to prevent corporate failures particularly in the Nigeria sectors. Recent research has shown that one of the main causes of indigenous business failure in this country is failure to maintain proper and reliable financial records been a core 'product of corporate accounting and external reporting systems that measure and publicly disclose audited, quantitative data concerning the financial position and performance of publicly held firms' (Basu& Markov 2012).

The empirical evidences of Michael (2013) and Victoria (2010) on the extent of shareholders reliance on published financial statements in making investment decisions noted that shareholders reliance on published financial statements are relatively low by not using relevant ratios in determining the worthiness of such investment opportunity but recommended on their reliance on relevant financial ratios. This is contrary to the observations of (Anaja&Onoja; 2015) who noted 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. The studies however did not point out those financial ratios that are relevant and should be considered by the shareholders in making investment decisions. To bridge this gap observed

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from the literature, we established this study in furtherance of theirs to bring out those relevant financial ratios that should be considered by the shareholders in making their investment decisions.

Again, previous studies also noted conflicting and mixed results on the effect of information content of published financial statements on shareholders' investment decision. For instance in the studies of (Osuala, Ugwumba&Osuji; 2012; Victoria 2012; Yoan 2012; Aivazian Ying &Jiaping; 2005; Ajanthan 2013; Mohammed &Waliullah 2008; Bhole 2004) and many other studies, mixed results were observed and thus brought about too many arguments on those financial ratios used in analyzing the information content of financial statements which have effect on shareholders fund. However, from our best of knowledge, no study had been done on the topic under study on listed breweries. This is another modest contribution to bridge the research gap in the area of financial statements information and its effect on investment decisions of the shareholders using more recent data up to 10 years. This is to narrow this gap and as well contribute to the existing literature.

The study therefore examined empirically the extent to which the information content of financial statements have influenced the shareholders of consumer goods firms in Nigeria and how it has significantly contributed to credible investment decisions in Nigeria.

III. OBJECTIVE OF THE STUDY

The main objective the study is to examine the effect of information content of financial statement on shareholders' investment decision making of consumer goods firms listed on the Nigeria Stock Exchange. The specific objectives were to:

1. Determine the effect of profitability on shareholders' investment decisions of consumer goods firms in Nigeria.
2. Ascertain the effect of leverage on shareholders' investment decisions of consumer goods firms in Nigeria.

Research Questions

The following questions were raised in this study as follows**:**

Hypotheses

As a tentative answer to the questions raised above, the following hypotheses were formulated.

H_o1: Profitability does not have any significant effect on shareholders' investment decisions ofconsumer goods firms in Nigeria.

H_o2: There is no significant effect between leverage and shareholders'investment decisions of consumer goods firms in Nigeria

Concept of Investment Decisions

As postulated by Pandey (2004), investment decisions or analysis has to do with an efficient allocation of capital. It involves decision to commit the firm's funds to the long-term assets. Such decisions are of considerable importance to the firm since they tend to determine its value size by influencing its growths, profitability and risk. Investment decision of a firm is one which is expected to produce benefits to the firm over a long period of time and it can pass both tangible and intangible assets (Anaja&Onoja; 2015). Most investors and other financial statement users also see the financial statements prepared by a given company as a statement that discloses mere financial position and operation i.e. profit level within a particular point in time. This could be partly because most of investors and other financial statements users do not have the knowledge of accounting which enables them to analyze and appraise the financial performance of the company through their published financial statements before making investment decisions.

The investment decisions of a firm are generally known as the capital budgeting decision may be defined as the firm's decision to invest its current funds most efficiently in the long-term assets in anticipated of an expected flow of benefits over a series of years. Pandey (2004) views investment as the firms' decision to invest its current fund most efficiently on the long term assets in anticipation of an expected flow of benefits over a series of years. The firm investment decision would generally include expansion acquisition, modernization and replacement of the long term assets, sale of a division or business (divestment) is also analyzed as an investment decision. Investment decision invariably requires funds to be tied up in current assets such as inventories and receivable. Such investment is fixed and current assets in one single activity. Investment decision requires special attention because:

(a) They influence the firm's growth in the long-run

(b) They affect the risk of the firm and involve commitment of large amount of fund

(c) They are irreversible or reversible at substantial cost.

(d) They are among the most difficult decision to make

Investment decision of a firm is one which is expected to produce benefits to the firm over a long period of time and it can pass to both tangible and intangible assets (Porter, 2007). Investment decisions are very crucial and caution must be taken because huge, scarce and hard earned resources are involved, irreversible in nature, risky and have long term implication which no investor would want to be confronted with if negative results occurred. Therefore there is every need for investors to have good knowledge and understanding of the cash flow statement, value added statement, income statement, the price, earnings, value and dividend per share and other relevant financial statements to avoid irrationality in investment decision making. Subsequently, their emotional perceptions of such evaluations may come into effect as they try to justify their investing decisions in a given company's stock. Chong and Lai (2011) discovered that in making an investment decision rational individuals are to likely seek information about performance (which determine the firm's ability to pay dividend), as well as the behaviour of other investors. Chong and Lal (2011) assert that analysis of available financial information provides a technical basis to evaluate the past and projected performance of a firm. In this respect, various criteria can be used, including financial ratio analysis which can then be compared across the industry to support making an informed investment decision.

Financial Statements

Financial Statements have been widely defined in the extant literature by scholars and experts. According to the Companies and Allied Matters Act 1990 (CAMA), financial statements consists the basic statement of accounts used to convey the quantitative information of financial nature about a business to shareholders, creditors and others interested in the reporting company's financial condition, result of operation uses and sources of funds. Financial statement is a formal and comprehensive statement describing financial activities of a business organization such as the financial institutions. For such a business entity, financial statement is a statement that reports all relevant financial information, presented in a structured manner and in a form easy to understand for managerial use for taking prompt and informed decision making related to investment (Anaja&Onoja; 2015) and also to decision making pertaining to cost planning, investment planning, expected returns and performance evaluation.

The financial statement comprises of statement of financial position (for determining financial position), profit and loss statement (describes statement of comprehensive income), statement of equity changes (explain the changes of the company's equity), and cash flow statements (reports on a company's cash flow activities, particularly its operating, investing and financing activities). Although, these statements are often complex and may include an extensive set of notes to the financial statement and explanation of financial policies and management discussion and analysis (Anaja&Onoja; 2015). The notes typically describe each item on the position statement, income statement and cash flow statement in further detail. Notes to financial statement are considered an integral part of the financial statements. The perceived relevance of the financial statement are, to provide information about the financial position, performance and changes in financial position of a firm that is useful to a wide range of users in making management and investment decisions. Financial statement can also be defined as the process whereby information relating to the organization as a whole is reported to the outside world. They are reports on management and not to management. It deals with most external financial transactions of the organization. Financial statements are source documents of accounting information. They are referred to as the final accounts.

The basis of financial planning analysis and decision making is the financial information. Financial information is needed to predict, compare and evaluate a firm's earning ability. It is also required to aid in economic decision making investment and financing decision making. The financial information of an enterprise is therefore contained in the financial statements. Financial information has been postulated as one of the variables that could influence investor's behaviour while making investment decision on the investment options to select.

Profitability

Profitability refers to the relationship between profit and the resources employed in earning it. Its resultant effect is usually expressed as a percentage. The major profitability ratios according to Timothy and Joseph (2013) are return on assets, return on equity and return on revenue. The main objective of any enterprise is to earn profit, large enough to offset all expenses and leave a margin for owners of equity. It is the difference between income through operation and expenses incurred in the process of such income generation (Egungwu, 2004). If a company earns enough profit, it holds promises of its continued existence.

Both the stakeholders as well as shareholders in a business are interested in the earnings potential of a business. This is a ratio concerned with the relativity of profitability and efficiency of utilization of resources of a business (Ibenta, 2005). Ifurueze (2010) defines profitability ratio as a ratio that assesses the profitability level of a company. This is a ratio that shows the overall profitability level of the business. It shows the efficiency of management in utilization of the recourses placed at its disposal (Igben, 2009). In view of this, profitability is the most important and reliable indicator of corporate growth as it gives a broad indicator of the ability of companies to raise their income level (Ahmed, Naveed&Usman, 2011). This therefore makes profitability to become one of the most important objectives of financial management, because one of the goals of financial management is to maximize company owner's wealth and profitability which in turn indicates better financial performance (Malik, 2011).

Leverage

Leverage (LEV) generally means the increased ability of accomplishing some purpose. It is the employment of an asset/ source of finance for which firms pay fixed cost/ fixed return. Hence, it is the firm's ability to use fixed cost assets or funds in lieu of variable costs assets or funds to increase the returns to its owners. According to Rajan and Zingales (1995 cited in Salehi, 2009), define leverage as the ratio of total liabilities to total assets. It shows the proportion of debt to equity in the capital structure of a firm. The financing or leverage decision is a significant managerial decision because it may influence the shareholder's value, risk and the market value of the firm. The ratio of debt-equity has implications for the shareholders' dividends and risk. This affects the cost of capital and the market value of the firm (Pandey, 2007). Upneja and Dalbor, (2001) opine that firm leverage shows the degree to which a company uses fixed-income securities, such as debt and preferred equity. They opined that the use of high level of financial leverage result to high interest payments. This shows that leverage can be a tool that can affect the performance of firms through the payment of interest which increases the cost of operation.

IV. RESEARCH METHOD

This study was an ex-post facto survey of sixteen (16) consumer goods firms using secondary data sources published in the Nigeria Stock Exchange for the period of ten years ranging from 2011 to 31st December 2020.

The study used profitability and leverage as the independent variables representing variables for analyzing the information content of financial statements while shareholders' investment decisions measured as the number of shares traded was used as the dependent variable and was adopted as a proxy and logarithm of it. The variables are fully represented below:

Dependent Variable Shareholders' Investment Decision (SHID)	Estimated using number of shares traded. This is in harmony with the study of Bhole (2004) and Osuala et al (2012)
Independent Variables: Profitability (PROF)	Measured and captured using Profit after tax /Capital employed. (inspiration drawn from prior studies like Ajantha (2013), Osuala, Ugwumba and Osuji (2012), Victoria (2010) and Mohammed and Waliullah (2008)
Leverage (LEVG)	measured using Debt/Equity Ratio i.e. Total Debt/Capital Employed. Inspiration drawn from prior studies like; Ajantha (2013), Osuala, Ugwumba and Osuji (2012), Victoria (2010) and Mohammed and Waliullah (2008)

The panel least square was adopted for the purpose of answering the research question andtesting the hypothesis and data collated were analyzed using Pearson Correlation coefficient while using multiple regression analysis for determining the degree and direction of association between the variables. The analysis was done using E-View 10. Variance inflation factor (VIF) was conducted to further test for the presence of multi-colinearity.

V. FINDINGS AND DISCUSSION

From the analysis done using E-View 10, the descriptive analysis is represented below

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Table 1: Descriptive Analysis of the selected consumer good firms

	SHID	PROF	LEVG
Mean	50.40304	2.204459	79.54325
Median	53.92000	1.830000	85.33000
Maximum	99.51000	9.530000	203.2700
Minimum	2.540000	-9.530000	8.630000
Std. Dev.	25.97042	1.905686	20.35285
Skewness	-0.282734	-0.725069	-0.204725
Kurtosis	1.947332	11.79509	13.69771
Jarque-Bera	9.340609	519.7775	749.7316
Probability	0.009369*	0.000000*	0.000000*
Sum	7913.278	346.1000	12488.29
Sum Sq. Dev.	105216.2	566.5355	64621.23
Observations	160	160	160

Note: *1% level of significance, **5% level of significance

As shown in the table above, the average investment to total assets stood at 50.40% and the standard deviation was 25.97% while the maximum value stood at 99.51%. The minimum investment is 2.54% of total assets.The result provided some insight into the nature of the selected quoted companies under study. Firstly, the great difference between the maximum and minimum values of investment shows that the sampled companies' investment ratio differ greatly; this was also re-affirmed by the standard deviation value which indicates that the sampled companies are not dominated by companies whose investment is below average. The standard deviation for shareholders' investment decision was 25.97. The skewness for shareholders' investment decision was -0.0282 implying that data on shareholders' investment decision were skewed to the left hence most values were bunched to the right of the distribution. The kurtosis for shareholders' investment decision was 1.947 that is less than 3 hence the distribution is said to be platykurtic and having few outliers. The Jacque-Bera statistic of 9.340 alongside its p-value (0.000) indicates that the data satisfies normality.

The mean value of profitability ratio of the sampled consumer goods firms was 2.204 while their median value was 1.83. This therefore means that consumer goods firms with PROF of 2.204 and above are classified as above average performing companies while those with their PROF value below 2.204 were classified as below average in their performance. The standard deviation for profitability ratio was 1.905 showing a figure less than the mean, this shows that the variable cluster around the mean. The skewness for profitability was -0.0725 implying that the data on profitability is normally distributed since it is not greater than 1 and they were skewed to the left hence most values were bunched to the right of the distribution. The kurtosis was 11.79 that are greater than 3 hence the distribution is said to be leptokurtic hence it may have few outliers. The Jacque-Bera statistic of 519.77 alongside its p-value (0.000) indicates that the data satisfies normality.

The table also indicates that leverage has an average value of 79.543 with standard deviation of 20.352 while the minimum and maximum values are 8.630 and 203.27 respectively. This implies that leverage was about 79.54% during the period of the study and the deviation from the mean is 20.352%. The value of skewness of -0.2047 indicates that the data is negatively skewed and therefore conform to the symmetrical distribution requirement. Moreover, the coefficient of Kurtosis 13.69 which is more than 3 also indicates that leverage variable does not meet the Gausian distribution criterion.

Table 2: Correlation Analysis Result

	SHID	PROF	LEVG
SHID	1.000000		
PROF	0.170181	1.000000	
LEVG	-0.199914	-0.161596	1.000000

The above results show that there exists a positive but strong association between shareholders' investment decision and profitability (SHID and PROF = 0.1702) while there was a negative strong association between shareholders' investment decision and leverage (SHID/LEVG = -0.199). It was discovered that another negative and strong association exists between profitability and leverage (PROF/LEVG = -0.16).

Table 3: Variance Inflation Factor Result

Variance Inflation Factors
Date: 05/23/21 Time: 04:14
Sample: 2011 2020
Included observations: 160

Variable	Coefficient Variance	Uncentered VIF	Centered VIF
C	104.6323	11.15048	NA
PROF	1.354763	1.787269	1.092272
LEVG	0.013639	10.30141	1.075892

As can be observed from the result of VIF in table 4.2.3 above, the mean value of the independent variables coefficient is less than 10. The variance inflation factor (VIF) values of all variables are less than 10; therefore the effect of multi-collinearity is negligible. This implies that there was no multicollinearity problem with the variables thus all the variables were maintained in the regression model. Therefore it can be concluded that there is no problem of multicollinearity. It can also be seen from the table that all the variables had a variance inflation factor (VIF) of less than 10: profitability (1.09), leverage (1.06) approximately, liquidity (1.11), and finally, earnings per share (1.01) approximately.

Table 4. Random Effect Regression Result

Cross-section random effects test equation:
Dependent Variable: SHID
Method: Panel Least Squares
Date: 05/23/21 Time: 04:12
Sample: 2011 2020
Periods included: 10
Cross-sections included: 16
Total panel (balanced) observations: 160

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	79.28668	11.36618	6.975667	0.0000
PROF	2.366678	1.242793	1.904322	0.0530
LEVG	-0.367092	0.134877	-2.721678	0.0073

Effects Specification

Cross-section fixed (dummy variables)

R-squared	0.460128	Mean dependent var	50.40304
Adjusted R-squared	0.457518	S.D. dependent var	25.97042
S.E. of regression	23.83742	Akaike info criterion	9.298903
Sum squared resid	77846.50	Schwarz criterion	9.688233
Log likelihood	-709.9639	Hannan-Quinn criter.	9.457023
F-statistic	2.535115	Durbin-Watson stat	1.991229
Prob(F-statistic)	0.001026		

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The table 4 above shows the panel regression analysis of quoted consumer goods firms in Nigeria. From the result above, the study observed that the R. squared value is 0.460 (46%) and R-squared adjusted value is 0.457 (45.7%). The value of R- squared which is the coefficient of determination stood at 46% which implies that 46% of the systematic variations in individual dependent variables were explained in the model while about 54% were unexplained thereby captured by the stochastic error term. Again, the adjusted R-squared stood at 45.7%.This indicates that all the independent variables jointly explain about 45.7% of the system variation in financial statement information content of our sampled companies over the 10years period while about 54.3% of the total variations were unaccounted for, hence captured by the stochastic error term. The R-squared adjusted value indicates that financial statement information contentvariables used in this study explained about 46% of the variation in financial statement information content of consumer goods companies quoted in Nigeria while about 54% were unexplained. Thus shows that these variables (Profitability andLeverage) can only explain about 46 percent of change in Owners' Equity leaving 54 percent unexplained. This is to say that there are other factors that shareholders consider in making investment decisions other than the information contents of financial statement.

Moreover, the F-statistics value of 2.535 and its probability value of 0.0010 shows that the overall financial statement information content model used for the analysis were statistically significant at 1% level. The sig. (or p-value) is .0010 which is below the 0.05 level; hence, we conclude that the overall model is statistically significant, or that the variables have a significant combined or joint effect on the dependent variable. With this, the researcher affirms the validity of the regression model adopted in this study.

This confirms the appropriateness of our model used for the analysis. Moreover, the Durbin Watson statistic of 1.991 showed that the model is well spread since the value is approximately 2 and that there have not been self or auto correlation problem and that error are independent of each other.

From the result obtained above, profitability has positive effect on shareholders' investment decision of quoted consumer goods firms in Nigeria with a positive coefficient value of 2.366% and t-statistics value of 1.904 and a probability value of 0.0530 which is statistically significant at 5% level of significance which also showed that the relationship between SHID and Profitability is positive and significant; this can be justified with the P-value (significance) of 0.0530 which is equal to the 5% level of significance adopted.Thus implies that companies with higher profitability attract much more investors than non-profitable firms. The finding is consistent and in agreement with the findings of (Osuala et al 2012; Attaullar and Tahir 2004) whose studies were carried out in Nigeria and Pakistan respectively. Osuala et al (2012) noted that profitability has a significant effect on shareholders' investment decisions and have significantly influenced it over the years. In lieu of their findings, they are of opinion that the quality of accounting information in terms of its usefulness, adequacy, reliability and a mode of disclosure is a major determinant of level of efficiency of the capital market and other decision tasks. Attaullar and Tahir (2004) on the other hand noted that large profitable firms are more profitable and hence attract more investors than less profitable ones. They therefore conclude that profitability has a significant effect on shareholders' investment decisions.

Also, the table indicated that leverage has negative and significant effect on shareholders' investment decision of quoted consumer goods firms in Nigeria having recorded a negative coefficient value of -0.3670 and p-value of 0.0073. This significant effect can be justified with the P-value (significance) of 0.0073 which is less than the 5% level of significance adopted. It has also been validated by the negative coefficient of -0.3670 implying that leverage has an inverse relationship with shareholders' investment decision (SHID).By implication, this means that an increase in LEVG whiles other remaining variables remain constant decreases owners' equity as highly leveraged companies discourages investment as a result of fear of the unknown. This observation is in tandem with the priori expectations. For instance Aivazian et al (2005) they demonstrated that companies with fewer investment opportunities are more vulnerable to the impact of leverage than companies with many investment opportunities and conclude that leverage ratio is a ratio of interest to fund providers and shareholders.

VI. RECOMMENDATIONS

Based on the findings, the following recommendations were made:

1. Shareholders should make proper investigation about the financial state and profitability level

of the firms of their interest before making investment decisions.

2. Shareholders also need to be sensitive about the leverage of firms since what determines the value and real worth of a firm is the risk-return of its operations. The mode of financing of a firm shall be considered in making investment decisions.
3. Shareholders emphasis on firms' liquidity should be minimized since it was found to have no significant effect to investment decisions.
4. In the same vein, shareholders emphasis on earnings per share of companies should be minimized since it was found to have no significant effect to investment decisions.

VII. CONCLUSION

The importance of the preparation of good quality financial statements by the directors of companies can never be over accentuated. Financial reports when properly prepared can be used in making very good investment decisions, for a country like Nigeria; this will boost the economy and subsequently result in a better society at large. When a patient for instance goes to the doctor for treatment, it is unlikely, that the doctor will start prescribing drugs to the patience without a prior medical examination/test. In a similar fashion, it is improper for investors (both potential and active) and analysts to form investment decision without obeying the diagnosis principles i.e. a critical analysis of Statement of Profit or Loss and other Comprehensive Income, Statement of Financial Position, Statement of Cash flow and other vital documents of the reporting entity. Thus, investing in a company without proper and critical analysis of the financial statements is akin engaging in gambling. However, with proper analysis of the financial reports, the investor is able to make clearer and more confidence decision.

Any financial decision is based on a set of correct information obtained from the analysis of financial statements. The financial decision maker in the companies after obtaining this information starts at the stage of making the appropriate financial decision by choosing the right alternatives to maximize your return with the least risk. The analysis of information content of financial statements prior to shareholders investment decision creates a reasonable impact since it improves the predictive power in business and reveals companies performances and comments on its financial capacity. This study empirically investigated the effect of financial statement information content analysis on shareholders' investment decisions. The study is vital as it portrays the extent to which shareholders of firms listed on the Nigerian Stock Exchanged (NSE) are influenced by the profitability and leverage in their investment decisions. We therefore conclude that companies with higher profitability and low leverage attract more shareholders. Moreover, shareholders are not only after their own return on their investments in the company but also on how the management of the company settles its obligation to creditors and lenders.

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