



2nd Interdisciplinary Conference of Management Researchers
Empowering Sustainable Tourism, Organizational Management and
Our Environment

19th – 21st October 2017 – Sabaragamuwa University of Sri Lanka

The Effect of Financial Statement Disclosure on Stockholder's Attitude Changes: Special Reference to Colombo Stock Market

DGP Kaluarachchi

Department of Commerce, Eastern University, Sri Lanka
seuganeesha@gmail.com

In today's complex business environment, organizations need to understand the attitudes and opinions of their stakeholders. Shareholders are one of the important stakeholders in a company. The main objective of this research to investigate the impact of financial statement disclosure on shareholder attitude changes in Sri Lanka. Accountability and the transparency of the financial statement disclosure will be affecting the perception of the shareholders. Shareholders are the owners of the organizations and they are very much attractive to the organization growth and profitability due to their capital investment. Change in Shareholder Attitude has been considered as the dependent variable with four indicators. Those are Information Provision, Feedback and Consultation, Communication and Improvement. Financial Statement Disclosure explains as the independent variable and independent variable explain by four indicators namely Income Statement Disclosure, Balance Sheet Disclosure, Cash Flow Statement Disclosure and Notes. The financial statements provide the information relating to the company financial position, operating results, company cash flows and equity changes details. Based on the information disclosure by the company will creates the levels of valuation regarding the company shares. Demand and the supply of the shares will decide the share price of a company and also the results generate by the financial statements will give the influence to the shareholders in order to change their attitudes. conclusion of this study explains income statement disclosure and the balance sheet disclosure change the shareholder's attitude.

Keywords: Financial Statement Disclosure, Shareholder Attitude Change, Financial Statement Analysis, Colombo Stock Exchange