

FACTORS INFLUENCING VOLUNTARY ANNUAL REPORT
DISCLOSURE BY TRADING AND SERVICES COMPANIES;
MALAYSIA EVIDENCE

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ABSTRACT

This study examines the factors that influence the extent of the voluntary disclosures contained in the annual reports of trading and services sector in Malaysia. The four variables tested are firm size, assets-in-place, profitability and type of auditor. The empirical evidence suggests that firm size and profitability are statistically related to the level of information voluntarily disclosed by trading and services companies in Malaysia and using multiple linear regression models, the single most important independent variable that helps explain variations in voluntary disclosure is size. These findings are consistent with the predictions of agency theory. However, no significant effects due to asset-in-place and type of auditor are found in this study.