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Effect of Financial Information on Investment Decision Making By Shareholders of Banks in Nigeria

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Abstract: *The objective of this paper is to empirically investigate the effect of financial information on investment decision of shareholders of banks in Nigeria. The data for the study were extracted from published annual reports of five selected banks in Nigeria from 2009 to 2015. Correlation matrix and regression analysis were deployed to establish the relationship between the variables. The results revealed a positive relationship, indicating that dividend per share have significant influence on investment decision of shareholders of banks in Nigeria. The study recommends that both existing and prospective investors can factor financial information relating to dividend paid per share while making investment decision in shares of Nigerian banks; as dividend per share is positively correlated with investment decisions of shareholders.*
Keywords: *Dividend, Financial information, decision making, investment, shareholders.*

I. Introduction

Corporate organisations have the responsibility to comprehensively prepare and publish their audited financial report for investors and other users. Investment decision involves the commitment of current funds into long term projects for future benefit, as such financial information becomes important to the success of these investment opportunities. Williams (2002) views financial information as the results of business operations expressed in monetary terms. The notion of financial information largely implies those aspects encapsulated in the financial statements of an organisation which may be used to ascertain the financial position of such organisations for investment decision making. Financial information relating to a business organisation is important to users within and without the organisation to enhance informed investment decision making.

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. It must be noted that the financial information prepared by management as a responsibility has to be reviewed by independent external auditors and duly analysed by professional financial experts prior to investment decision making.

The perceived relevance of financial information is to provide reliable information about the true and actual financial position, performance (profitability), and changes in financial position of a business investment opportunity that could be useful to a wide range of prospective investors, managers, directors, financial institutions, financial analysts, government, regulatory agencies, the media, vendors and the general public in making informed or rational investment decision.

The content of financial information is often expected to be prepared according to national standards, corporate governance, professional ethics and the code of conducts as stipulated by the Companies and Allied Matters Act (CAMA) of 2004 as amended, the International Financial Reporting Standards (IFRSs), and the Nigerian Statement of Accounting Standards (SASs). This is to avoid financial reporting fraud and scandals that might hinder effective and informed investment decision making by investors and other users of these information. Another purpose of expected standards and ethics in financial reporting is to re-orientate professional accountants, financial experts, auditors and corporate organisations on the need to abide by the code of conducts that facilitate public confidence in their services (Okafor, 2006). This study identifies one key aspect of financial information, the effect on investment decision, and the relationship subsisting between financial information and investment decision making. Finally, financial information has been discovered to be useful to investors; however, the extent to which it has influenced investment decision making is limited in literature. This study seeks to examine the effect of financial information on investment decision making by shareholders of banks in Nigeria.

Statement of the Problem

The importance of financial information to investment decision making cannot be under estimated. Informed investment decision making is important for minimization of the risks associated with loss of value for money invested. Just about every investor has had challenges relating to investment decision making at one point or the other. Some investors may have found themselves neck dip into investment projects before getting to know other financial implications of such investment opportunities; such investors might have prioritized non-financial factors as, social-political, climatic, demographic, face value or mere share prices into their investment decision making process rather than the financial factor, while some other investors might have skipped the cost of engaging the services of financial experts for proper financial statement analysis prior to investment decision making. That is to say such investors have undermined the relationship between financial information and investment decision making.

The main concern of this study is to examine the extent to which prospective investors' factor key financial information into their investment decision making in shares. So far, empirical evidence on the effect of dividend per share on investment decision making is limited in literature indicating research gap. It is the need to re-direct investors' attention to key financial information rather than non-financial information in investment decision making as well as the need to fill the perceived gap in the local literature that necessitate this study.

Thus, the broad objective of this study is to examine the relationship between investment decision making and financial information. The specific objective of the study is to ascertain the extent to which financial information relating to dividend per share affect investment decision making by investors. The basic research question is: to what extent does dividend per share affect investment decision making by investors? The study hypothesized that dividend per share does not influence investment decision making by investors. The study results will be of immense significance to investors, students and the academia.

II. Conceptual Framework

Financial Statement and its Nature

Financial statement has been widely defined in extant literature by various scholars and experts. According to the Companies and Allied Matters Act 1990 (CAMA), financial statement consist of accounts used to convey quantitative information of financial nature about a business to investors, creditors, and others interested in the reporting company's financial condition, results of operations, users and sources of funds. Duru (2012), defines financial statement as a statement which conveys to management and to interested outsiders a concise picture of the profitability and financial position of a business. Concurring with the above definitions, published financial statement can generally be defined as the audited annual and accounts of an organization which includes the balance sheet, profit and loss account and the cash flow statement which give a summary of the period presented. It is prepared by companies and organizations duly audited by external auditors and thereafter made public for use by any interested party. Flowing from the above, published financial statement should be devoid of any material misrepresentation and errors so that al interested parties can be adequately equipped with the right information to make rational or informed decisions. Financial statements according to the Nigerian accounting standard board (NASB) are the areas of communicating to interested parties information on the resource obligation and performance of the reporting entity.

Features of Financial Statement

The basic features of financial statement are as thus:

Financial statements are always historical hence its content is basically captured from the financial transactions engaged by the publishing organization during the previous accounting period(s).

Financial statements are always expressed in monetary values hence business or financial transactions which are major concern money as a measure of value.

Financial statement indicates the profitability or loss of a business organization by matching incomes and expenditures to arrive at a deficit, surplus or break even via the income statement or cash flow statement.

Attributes of useful Financial Information

Qualitative characteristics of financial statement are attributes that enhances their meaningfulness to such users. According to Okpe (1998), published financial statements should posses the following qualities.

Understandability:

Financial statement can be somehow complicated to the uninitiated to understand so it should be prepared such that users will be able to understand the information content, this applies to the format or layout of the statement, the preparation of the statement.

Accuracy:
The financial statement should be able to disclose correct and accurate information about the profitability and financial position of a business. They should only be factual, no false information should be inclusive, hence false information could lead to wrong decision making.

Relevance:
Financial information or statement is used by interested parties in making economic decisions, therefore the information provided should be capable of been used for such decisions. Relevancy is guided by the information about prior expectation and the ability to predict future trends.

Comparability:
Users of financial statement will want to compare the previous accounts of the company and possibly the accounts of other companies. Comparability adds to the degree of transparency to financial statement allowing for comparison over time and among cities.

Realism:
Financial statement should show a true and fair view of an entity. It has been contended that accounts should not give a sense of absolute precisions when such precision do not or has not existed.

Consistency:
Financial statement should be able to ensure a consistent evaluation of company's workings in a particular industry. It should be consistent in the presentation and disclosure of accounting methods and policies.

Completeness:
Financial statement is a rounded picture of any business organization's activities; as such it should wholly and totally be delivered without any missing part for the consumption of the information users to enhance rationality in making economic decision.

Verifiability:
Financial statement should disclose information that can be verified from the records of the reporting entity. Qualified individuals working independently of one another should be able to deliver similar conclusions upon examination of same data.

Objectivity:
It is essential that financial statement should be prepared as objective as possible; hence the information that is objectively based will increase the reliance of users on the financial statement of organizations.

Timelines:
Users of financial statement make use of current or up to date information, therefore financial statement should be delivered right on time as soon as the accounting period ends so that users can have the desired information as at when needed.

Users of Financial Information
Aborode (2005), listed the various users of financial statement which is divided into two categories (Internal an Eternal) as thus:
Internal users
Management:
They are interested in all aspects of the financial statement and analysis of the organization; that is the performance evaluation, internal control, profitability efficiency, assets and debt management

Employees:
Employee and other trade unions are more concerned about the long term survival and profitability of the organization, as such, the ability to pay high wages, salaries, bonuses and better working conditions.
External Users
Investors:
The category of users is interested in the profitability, growth potentials, and stability and dividend policies of the reporting entity.

Financial Institutions:
These users are interested in the ability of the business to pay interests and repay the principal sum on due dates, so that loans could b granted, example Bank, etc.

Government:
This particular user of financial information is interested in the financial condition of corporate organizations in other to access the level of tax liabilities, survival of the company on which their job depends to aid policy formulation as well as the company's remuneration ability.

Competitors:
This class of users in interested in the financial statement for purpose of ascertaining the financial performance of other businesses to determine their own competitive position.

Educational/Research Institutions:
This group of users requires financial information for teaching and research purposes, for instance universities and research centres.

Trade creditors:
Trade creditors like suppliers and other short term lenders are interested in the firm's ability to meet their claims over a short period of time. They will confirm their analysis on evaluation of the firm's liquidity position based on the analysis of the firm and determine the term of conditions for lending or supply to the firm.

The general public:
The public are interested in the social responsibility and environmental protection policies in their published financial statement.

Component of Financial Statements
Section 334 (2) of the Companies and Allied Matters Act (CAMA) 1999 stipulates that financial statement of companies shall include:

Statement of Accounting Policies:
This statement set out the significant accounting policies which have been applied in drawing up the financial statements. For instance, this statement states all the methods by which depreciation of fixed assets was calculated plus the rate at which it was calculated.

Statement of Financial position:
This is also referred to as the statement of financial position; it provides a true and fair view of the company's financial position as at the end of the period. It shows' the assets owned by the company, liability owned by the company and shareholders' funds in the company as at the period of the balance sheet.

Comprehensive Income Statement:
The comprehensive Income Statement also traditionally known as the trading, profit or loss accounts; Aborode (2005), stated that, comprehensive income statement covers a stipulated period of time, but it is usually prepared monthly, quarterly, or annually. For planning and control purposes, management generally forecasts monthly income statement and compares actual results with the forecasted statements. It provides a true and fair view of the profit or losses of the company for the period. It shows the result of the operations of the company for the reporting period.

Statement of Cash Flows:
A statement of cash flow provides the information on the sources of cash inflows into the organization and the utilization of cash (cash out flow) by the company. One big advantage which a cash flow statement has is that it enables users of financial statement to access the company's liquidity and short term viability.

Value added statement:
This statement reports the wealth created by the company's and it's employee's efforts during the period and the distribution of this wealth (i.e. value added) among various interest groups such as employees, provides of capital, the government and the company.

Five years Financial Summary:
John (2005) noted that, the five year financial summary focuses on the profit and loss account and the balance sheet of an enterprise for the period and the proceeding four (4) years in such that trends of the company's performance can easily be revealed over a period at a glance. This can be used for the following:

- It enables users to have some ideas of the trends in a company over a period of time.

- It could be used to access the performance of the period.
- It may be used to forecast future performance of the investment opportunity.

General Disclosure:

Omojola (2005) pointed that; statement of accounting standard (SAS) 2 provides that financial statement of an enterprise should contain the following among others:

- The nature of the enterprise.
- The period of time covered.
- The legal form.
- The reporting currency.
- Its relationship with its significant local and foreign suppliers.
- The level of precision used in the figures in the financial statement

Notes to the Accounts:

Notes to the accounts assist users to have a better understanding of the financial statement; they are used for the following purposes; To give detailed analysis or breakdown of items already included in the balance sheet and the profit and loss accounts. An example of the breakdown given in the notes to the accounts is the fixed assets schedule showing the breakdown of the fixed assets figure in the balance sheet. To provide non quantifiable (i.e. qualitative) information on the items already included in the balance sheet or profit and loss accounts. For instance, particulars of exceptional and extraordinary items already included in the profit and loss account shall be given in the notes to the accounts. To give information on relevant items that is nor normally shown in the balance sheet or profit and loss accounts. For example, particulars of contingent liabilities shall be given in the notes of the accounts.

Auditors Report:

The auditor's report contains the opinion of the auditor which he forms after examining the company's annual accounts, whether they represent a true and fair view of the organization's operations during the accounting period.

Directors Report:

The director's report gives certain factual information relating to the year under review which has to be disclosed by law. The details required by section 342 schedule (5) of the companies and allied act (CAMA) 1990 to be disclosed in the director's report include statements of the following.

- The statement of the company affairs.
- Recommended dividend
- Propose transfers to reserves.
- Political or charitable contributions.
- Share on debentures issued during the years.
- Names of directors who served during the year.
- Director's shares and debenture ownership.
- Significant changes in fixed assets.
- Average number of employees on the payroll throughout the year where they exceed 100 and their aggregate remuneration.

Importance of Financial Statement

The perception of investors about the company's ability influences investor's decisions to invest. Financial information can only r useful if a well understood published financial statement is the information source that is most directly related to the items of interest to both existing and potential investors. According to Lunt (1999), the satisfaction of the needs of various users of accounting information as contained in the annual report can be acceptable as the objective of financial statement. This objective of financial information is emphasized by the various accounting principles because investors and creditors use them in making rational investment decision. Financial statement fairly represents business and economic situation of a country, which if studied carefully can lead to the achievement of some financial and economic goals. For instance, the balance sheet provides the investor with a clear picture, of the financial conditions of the company as a whole. It list in details the tangible and intangible assets that the company owns and owes, while the profit and loss accounts period loss accounts summarizes the income expenses and expenditures of the company in a given period of time. Also, it is through the use of financial reports that users can assess the project of receiving cash as divided or interest and proceeds from sales, exemptions or maturing securities or loans for instance. Cash flow statement shows how cash is predicted to move around at a particular given period of time. It is useful for planning future expense. It shows whether or not there will be enough cash to carry out the planning activities and whether or not the cash coming in will be enough to cover the expenses. It is useful in the determination of the company's liquidity in a given period of time.

According to Elis & Thacker (1998), the most important purpose of the financial statement is to get the investors informed about the financial position. The usefulness of financial statement to the investor is to assist them assess the ability of the enterprise to pay dividend and interest when due, while to the potential investors, published financial statement is used to decide on the type of investment decision the investor will make and which company to invest in. as such financial statement of organizations should provide information about the economic resources of the organization, which is the source of prospective cash inflows to the company. It should also provide its obligation to transfer economic resources to others which are the source of prospective cash outflows from the organization and its earnings which are the final results of its operations.

Gentry & Fernandez (2008), also find that annual reports and interviews with company officials were the most important sources of financial information in assessing the firm's value and therefore informing investment decision or equity selection process. Investment decision makers use financial statement of different firm's for financial decision making purposes. In this instance, financial analyst becomes useful in gathering, analyzing, and interpreting the accounting results to potential investors for use in making investment decisions.
Publication of financial statement provides a way for banks or firms to present its financial health or otherwise to shareholders, creditors, general public and to potential investors, to enable them make rational investment decisions. The role of financial statement analysis in making investment decisions should not be overlooked as it helps investors to establish the fiscal strength and weakness of the firm. Financial statement analysis can reveal the red flags of an investment opportunity. On the other hand, they can also reveal the strength of the company as well as the potential profit of investing in a particular company. By their nature, financial statements are retrospective, which means an investor should never look at a single statistic or matrix in making investment decisions. For instance, an actual or potential investor must analyze the statement of financial position, to assess the company's assets, liability and ownership equities (net worth) at a particular point in time. Also, the investor will assess the income statement to know company's expense income and profit or loss over a specific period of time. He will also assess the cash flow statement, to find out how the company raised up cash through investors or creditors; how cash is used to acquire assets and inventory; how the assets and inventory allows the organization to generate cash to pay for business expenses; and finally how the cash is returned to investors and creditors. Moreover, the purpose of cash flow analysis is to estimate the amount an investor would receive from an investment, based on future free cash-flow projections for the company, at least in the short term, financial information is like an x-ray, they provide multiple angles for proper diagnosis of the company. Each financial statement provides the user a unique perspective, and together the statements point a clearer and complete picture into the financial condition of a company. Additionally, investment bankers also rely heavily on financial statement when determining the sustainability of corporate businesses. For instance, a company cannot be bought or sold without determining an agreed up valuation. Therefore, financial statement help bankers establish appropriate price for transactions

Investment and decision making concepts

Definition and Nature of Investment

According to Bodie, Kane and Marcus (2001), investment is the commitment of current funds or other resources in the expectation of reaping future benefit. As postulated by Pandey (2005), investment decision has to do with an efficient allocation of capital. It involves decision to commit funds in long-term assets. Such decisions are of considerable importance to the firm and the individual since they tend to determine the value and size by influencing the growth, profitability and risk.

Decision Making

Nwachukwu (1988), sees decisions as "the selection of alternatives courses of action from available alternatives in other to achieve a given objective". Stoner (2000), decision "is the process of identifying and selecting a course of action to deal with a specific problem or take advantage of an opportunity".

Tools of Investment Decision Making

The major tool for these investment decisions is the ratio analysis. Ratio analysis is the judgmental process which aims at evaluating the current and past financial positions and the results of an entity, with the primary objectives of determining the best possible estimate about the future conditions and performances. It provides a quick diagnostic look at an entity's financial health and provokes subsequent financial and operational analysis. (Okwoli, 1992). From the foregoing, the figures are used in the financial analysis are being extracted from the financial statements which in turn inform investment decisions. Several ratios exists but this research work will only X-ray the major ones that are used in investment decision and the major issues to note here is that financial statements are the major sources of the raw materials for investment decision making.

Financial Ratio Analysis

Financial ratio shows the relationship between two or more financial or statistical data in a financial statement or management account (Aborode, 2005). Gavtam (2005), assert that ratio analysis is a process of determining and interpreting the relationship between the items of financial statement to provide a useful understanding of the performance, solvency and profitability of an enterprise. More so, for ratio to be useful in investment decision, it must be compared with earlier periods of trends with similar organizations in the industry to determine strengths and weaknesses, compared with the industrial average. Financial ratio may be expressed as a percentage or in relation to another figure or group of figures in the same financial statement. The needs of accounting information users are not normally the same. This depends largely on the type of users and the purpose for which the information is to be used. For the purpose of this study dividend per share ratio is considered relevant and useful to the shareholders as postulated by Igben (2005);

Dividend per Share (DPS) Ratio:

This ratio shows the amount of gross dividend on much issued ordinary share ranking for dividend in the period.

The Need for Ratio Analyses

The need for ratio analysis cannot be overemphasized as it can be used for performance measurement which includes appraising the performance of an organisation (Igben, 2009).

Theoretical Framework

Sequential decision-making Theory.

This is a decision theory where decisions \making proceeds into a step by step rationality, in this context Drury (2000), posited that this decision model includes seven stages that follow each other. The first five stages of this model belongs to the decision making process also called the planning process described as "making choices between alternative". At the end of the decision making process he added other two stages called the control process that should measure and correct the concrete performance of the alternative selected or chosen (In investment context, the control and correction stages may record losses or low return on investments). The stages are diagrammatized as thus:

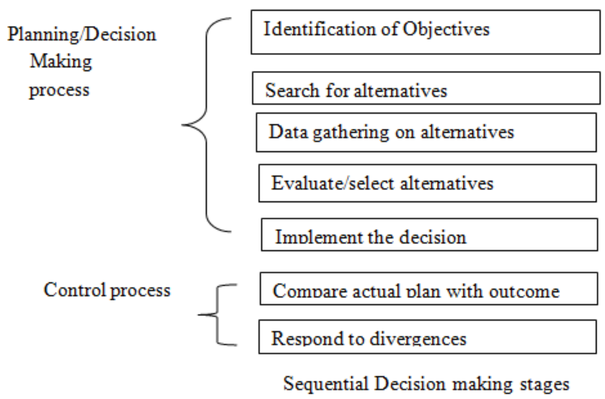

Figure 1: adapted from Drury C. (2000), p.6.

Planning Process

Identify objectives:

The investor or management needs identify goals and objectives which serve later as a guide that enables the decision maker to evaluate the desirability of certain way of action compared to others. From an investment perception profit maximization or return on investment for an individual or firms wealth is the main objective.

Search for Alternative:

Management or investor has to search the environment for potential opportunities and threats; for companies it could be product market and market development, for an investor it could be shares or equity o debt instruments.

Gathering of Data about Alternatives:

The potential growth areas of activities, gain in the market share, cash flow and much more information is collected for every option available and the decision maker distinguishes between certain and uncertain options and factors that are out of his control such as inflation and competitive strength etc. Data is put together for short term, long term and strategic options.

Evaluation/selection of Alternatives:
Evaluation in this context is in terms of financial information analysis about cash flows from investment, certainties and risks potentials, and the best decision maker or the investor (shareholder).
Implementation of decision:
Finally the decision will be implemented using the alternative selected via the budgeting process; a budget is a financial plan made to aid the realization of the decision made.
Control process:
The black thick and light arrows in graph 1 points out that the alternatives chosen should be frequently reviewed and if the outcome of the decision made differs from the firms planned one corrective actions should be taken. This control process is most applicable to firms, companies and organizations, to the individual investor divergences entails a loss or low return on investment, which may trigger a decision to divest or wait depending on the appropriate financial information and market analyses.

The Rational and Effective Market Hypotheses Model

This is a predominated theory and practice in the financial market starting from 1960s, Fama (1970) described an efficient market as one where a large number of rational investors intends to maximize profit, compete with each other in trying to predict future values of securities, and one where current information is almost available to all participants. In an efficient market, the securities prices are presumed or reflect the effect of financial information based on past, present and future events. The researcher has also found this theory to be in line with his study as it emphasizes the effect of information in the financial market, which is the platform for investment in shares.

Capital Asset Pricing Theory

In finance, the capital asset pricing model is used to determine theoretically appropriate required rate of return of an asset if that asset is to be added to an already well-diversified portfolio, given that asset non-diversifiable risk. The model takes into account the asset sensitively to non-diversifiable risk (also known as systematic or market risk). It is often represented by the quality beta (B) in the financial industry, as well as the expected return of market and the expected return of theoretical risk free asset. Capital asset pricing model suggest that in inventors cost of equity capital is determined by beta (William, 1964), (Linter, 1965). This theory also fits the researcher's pattern, in that ascertaining asset sensitivity and rate of returns depends on the financial information available to the investor plus the outcome of analyses made out of the information, and these constitutes the determinants of investment decisions.

Signalling Theory

According to signalling theory, also referred to as the information content hypotheses, this is where corporate announcements are hypothesized to have information content, for example mangers use cash dividend announcement to signal changes in their expectations about the future prospect of the company when the market becomes imperfect. The investment and financing decisions of firm's are made at the management discretion. It is argued that company mangers use earnings as a tool to convey information about the prospects of the company. Like dividends, if earnings convey useful information, it will reflect on stock price changes immediately following a public announcement. An increase in equity (shares) issued by a company reduces the price of its share, stock splits cause price increase while issuing more debt instruments leads to price increase actions. Berhardt, Douglas, and Robertson (2005) in their study noted that markets are rarely in equilibrium, the information has a cost and it does not reach all at the same time. When a firm announces its earnings or dividend it sends signals to investors and if they react to the signals as expected this will affect the share prices of the companies listed on the stock market, consequently this effects investor' decisions.

Empirical Review

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. Financial information refers to the accounting reports, general information relating to price movements, reputation of the firm, firm's status in the industry, past and present performance of the firm and expected performances (Chong and Lal, 2001). Financial information is considered to influence an investor in making investment decision in stock, capital and other investment opportunities, as an individual or firms would evaluate the underlying movement of the key indicators of interest and returns. Merika (2008) and Easley, Hrickjaer, & O'Hara (2010), in their research using questionnaires they found that financial information and expected corporate returns do have a significant effect on the decision of investors to invest. According to Easley *et al*, (2010), when forming an intention to invest, investors normally begins with the assessment of firm's financial position based on some objectives measures such as dividend per share, return on equity or earnings per share. 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). Finds 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. The selected statistical indicators includes (DPS ratio, EPS ratio, etc) are used to measure current conditions of stock as well as forecast financial or economic trends. These indicators are used extensively in technical analysis to predict changes in stock trends or price patterns. In fundamental analysis, economic indicators that quantify current economic and industrial conditions are used to provide perceptions on the future profitability potential of the selected stock.

Osuala, Ugwuma, & Osuji (2012) in his study on the effect of information content of financial statement on shareholders' investment decision in some selected firms Nigeria. In order to determine the relationship between information contents of financial statement and shareholders' investment decisions, the researcher used some of the content of financial statement including profitability, Dividend Per Share (DPS), Earnings Per Share (EPS), leverage and liquidity as proxy variables while shareholders investment decision was represented by change in number of shares. Data for the study was obtained from the published annual reports of selected firms. Regression model was employed to establish the relationship between the variables. The findings indicated that shareholders in the Nigerian Capital Market do not rely heavily on financial statements as a major determinant for their investment decision. It was observed that other variables outside firms' annual reports such as regularity of dividend payment and market price of shares are critical to shareholders in their investment decision.

Gentry & Fernandez (2008), in his research finds that, annual Reports were the most important source of information in assessing the firm's value and therefore informing the equity selection process. In this instance, financial analyst become's useful in gathering and interpreting the accounting numbers, the results of which are then circulated to potential investors for use to advance investment decisions. Totoek, Inanga, & Sembel (2007), investigated the nature of indicators that have influence on investor's needs and motivation to invest in equity shares, using data of firms trading in the Jakarta stock exchange and the findings shows that investors in emerging markets require certain metrics as tools to analyze and predict the value of shares. The researcher argued that the metric provides a basis to ascertain the interrelationships among fundamentals, external risks, and value of the shares influencing the quality of fundamental investment decisions. The metrics here are the key compositions of financial information which will be analyzed and interpret by analysts for investors to determine the future prices of share of a particular business in other to make investment. In direct relationship with foregoing, the value of shares is determined by its price, and price in turn is a function of (NOS), as (NOS) is determined by (DPS).

Shun & Chyan (2011), Conducted a research in Taiwan relating to the influence of information search on risky investment preferences, the study suggested that digital information search increases the individual interest in the risky investment because investment might reduce their uncertainties via greater understanding of companies financial status. It stated that due to lack of information and understanding for various risks, investors desire advice from professional advisors (financial experts). They especially desire a face to face contact when choosing a complex investment. Information here also is imperative to investment decision in respect to risky investments, especially in a portfolio of stock, where DPS is also key in selecting stocks to combine in a portfolio of investment.

In summary this study will contribute immensely theoretically and empirically in bridging the earlier stated gap in the existing local literature, also it will update and expose potential shareholders and other investors to the prerequisites of investment decision making as well as the effect of key indicators in financial information on investment decisions making. Specifically the various clear-out theories of investment discussed in the theoretical framework such as the investment decision making sequence, the rational and efficient market, capital asset pricing, and the signalling theories developed by different scholars around the globe as assembled in this study will contribute in guiding towards making rational investment decisions in shares and other economic assets by shareholders and other intending investors. Empirically this study has collected and reviewed several related empirical works of different renowned scholars in various countries of the world which has brought out the relationship and the effect of key aspects of financial information on investment decision making, so that potential investors may avail themselves with financial knowledge to serve as a guide towards making investment decision in shares of banks in Nigeria.

III. Methodology

The methodology deployed by the researcher for effective examination of the research problem under investigation contains the research design, scope of the study, and their relevance to the research objectives and hypotheses. The data and techniques for data analysis are also included.

Research Design

This study adopts the ex-post facto design. Ex-post facto research is an inquiry to discover the extent to which a variable (event) which occurred in the past has impacted on the occurrence of the present event (Agburu, 2001). The choice of ex-post facto research design for the study is due to its strength as one of the most available design for study that uses secondary sources of data.

Scope of the Study

This study intended to cover all the quoted commercial banks in Nigeria; however, the researcher has purposively elected five (5) quoted commercial banks in Nigeria for the study due to data readily available: United Bank for Africa, Zenith Bank plc, Sterling Bank plc, Stanbic IBTC, and First City Monument Bank plc.

Sources of Data

Secondary data is the main source of data for the study. Data relating to the study shall be obtained from the annual reports of the selected banks, and the Nigerian Stock Exchange Fact Book.

Techniques of Data Analysis

Data generated for the study shall be analyzed using descriptive statistics and the regression analysis via the statistical package for social sciences (SPSS). The study uses descriptive statistics to summarize the data collected, and uses the correlation matrix and regression to define the relationship existing between the dependent and independent variables, and to test the hypotheses formulated.

Definition of Variables

The variables integrated in the study are discussed below;

Dependent Variable:

Number of Shareholder (NOS)

This is the number of individuals/institutions that legally own shares in a company. Number of shareholders is usually obtained from the annual reports of companies.

Independent Variable:

Dividend per Share (DPS)

This the amount of gross dividend declared on every issued ordinary share ranking for dividend in the period. Dividend per share is determined as follows;

$$\frac{\text{Sum of dividends over a period-Special, one time dividend}}{\text{Shares outstanding for the period}}$$

Model Specification

The following multiple linear regression model has been formulated to guide the research in the investigation;

Investment decision = *f (Financial Statement)*

NOS= *f (DPS)*

NOS=a+B_1 *DPS + u*

Where:

NOS = Number of Shareholders

DPS = Dividends per Share

a = alpha; representing the model constant

B1 = Beta, representing the coefficients of variable used in the model

u = the stochastic variable; representing the error term in the model, It is usually estimated at 5% (0.05) level of significance.

IV. Data Analysis And Discussion

Correlation Matrix

The correlation between the dependent variable, NOS, and the independent variable, DPS is presented in appendix 1. Results indicate that NOS has positive correlation with DPS. This implies that NOS and DPS move in same direction. Hence dividend per share (DPS) has effect on number of shareholders (NOS).

Regression Results

Appendix 1 contains regression results obtained from analysis done using SPSS version 20. The result reveals an R^2 of 0.36. This suggests that DPS accounts for about 36.1% of variation in NOS. The remainder (63.9%), can be attributed to other variables such as earnings per share, leverage, among others, which are not captured in the model. The model which was estimated using DPS as independent variable and NOS as dependent variable is well fitted as the regression result indicates F-statistics of 15.970 which is significant at 1%. This further implies that dividend per share is a good predictor of investors' investment decision.

Furthermore, the result shows the coefficient of DPS is 16.961 which means that a unit increase in DPS will lead to 16.961 increases in number of shareholders (the proxy for shareholders' investment decision). This also implies positive relationship between DPS and NOS. This positive relationship is confirmed by the positive t-value of 4.319 which is significant at 1%. Based on this result, the null hypothesis which states that DPS does not significantly affect NOS is rejected. Based again on this result, it can also be submitted that financial information on dividend per share significantly influences investment decision making. This result is consistent with Gordon's bird-in-hand argument, which states that investors prefer to avoid uncertainty and are willing to pay higher prices for the share that pays greater dividend, ceteris paribus. . However, the finding of this study is at variance with finding of Lashgari and Moghaddam (2015) who found that dividend per share has a negative effect on investment.

V. Conclusion And Recommendations

The findings from regression results suggest that dividend per share has positive and significant relationship with shareholders' investment decision. Hence, it can be concluded that dividend per share has a prominent role to play in shareholders' investment decision. Shareholders would invest into commercial banks that pay higher and consistent dividend than those that do not. Therefore, it is recommended that commercial banks in Nigeria should design policies that ensure consistent payment of dividend to shareholders. This would serve as motivating bait for prospective investors to invest in the sector. It is also recommended that investors should factor financial information relating to dividend paid per share in their investment decisions.

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Appendices

Regression /Descriptives Mean Stddev Corr Sig N /Missing Listwise /Statistics Coeff Outsci (95) R Anova Collin Tol Change Zpp /Criteria=Pin(.05) Pout(.10) /Noorigin /Dependent Nos /Method=Enter Dps /Residuals Durbin.

Regression

Variables Entered/Removed[a]

Model	Variables Entered	Variables Removed	Method
1	DPS[b]	.	Enter
a. Dependent Variable: NOS			
b. All requested variables entered.			

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.601[a]	.361	.342	1.32216	1.181
a. Predictors: (Constant), DPS					
b. Dependent Variable: NOS					

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	25.128	1	25.128	15.970	.000[b]
	Residual	51.922	33	1.573		
	Total	77.050	34			
a. Dependent Variable: NOS						
b. Predictors: (Constant), DPS						

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	11.331	.256		44.194	.000		
	DPS	16.961	3.927	.601	4.319	.000	1.000	1.000
a. Dependent Variable: NOS								