Information needs of Lending and Financing Institutions in Tanzania: an exploratory study.

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Abstract

Investors and bankers use information from financial statements. Financial information enables them to make sound investment decisions and to assess investment opportunities. Studies involving investors and investment analysts conducted in the developed economies of Europe and the USA, among others, sought to determine the type of information sought by those investor The studies also sought to determine the extent to which financial statements were used, or relied on. This study sought to identify the information needs of /ending and financing institutions in Tanzania by determining the type of information they sought, and its use by these institutions, as well as the importance attached to the various components of the corporate annual report. The results obtained suggest that these institutions seek information on future prospects of enterprises, and the most recent financial statements are considered important in evaluating current and potent!a investment opportunities. Further, the balance sheet and the Statement of Source and Application of Funds are regarded the most highly compared to the Income Statement and parts of the corporaterate annual report.