The irrelevance of Financial Statements from Parastatals in Tanzania

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Abstract

The use of financial statement information has been well documented. It is expected to facilitate decision making pertinent to the user. However, financial statement information is useful only ifir is available on time. This study sought to establish whether financial statement from Tanzania parastatals were availed on time, and if nor, whether the delay was significant. Using the Normal Approximation Rule to rest for significance in mean time difference, it was found that parastatals delayed in releasing financial statements. The difference in mean time for their release was found to be significant at the 1 percent significance level. It is thus concluded that informacion provided *by* financial statements from Tanzanian parastatals was no longer relevant at the time it was available. Decisions made on the basis of that information, it is argued, were misguided.