Studies in Economics and International Finance
ISSN: 2583-1526
Vol. 3, No. 2, 2023, pp. 197-208
© ARF India. All Right Reserved
https://DOI:10.47509/SEIF.2023.v03i02.05

IMPACT OF IFRS (IND AS) ON DERIVATIVE FINANCIAL INSTRUMENTS: REPORTING & DISCLOSURE IN THE FINANCIAL STATEMENT

Arjun Gope

Associate Professor, Deptt. of Commerce, Ramthakur College, Tripura, India.
E-mail: arjungope@rediffmail.com

ARTICLE HISTORY

Received : 15 October 2023
Revised : 20 November 2023
Accepted : 26 November 2023
Published : 30 December 2023

TO CITE THIS ARTICLE

Arjun Gope (2023). Impact of IFRS (IND AS) on Derivative Financial Instruments: Reporting & Disclosure in the Financial Statement. *Studies in Economics & International Finance,* Vol. 3, No. 2, pp. 197-208. *https://DOI: 10.47509/SEIF.2023.v03i02.05*

Abstract: Derivative financial instruments (DFIs) attract individuals and organizations to participate in the derivative market instead of underlying cash market for hedging risk or for speculative trading. Use of derivative instruments is ever increasing across the globe where India is also not lagging behind. But the recognition, measurement and disclosure of those derivative transactions have remained dissipated neglected for a long period of time. Off-balance sheet risk and diverse accounting treatment of similar derivative transactions invite the need for accounting and financial reporting standard for DFIs. Research on derivatives instruments has predominately been based on western developed economies where a dearth of studies has been done on reporting and disclosing of derivatives instruments from developing economies. This study attempts to examine whether IFRS (Ind AS) is capable enough to improve the quality of accounting for DFIs in India. To achieve this purpose, the research has been carried out on the basis of secondary data. The findings of the study reveal that the implementation of IFRS is good enough to improve the overall quality of information in terms of recognition, measurement, transparency and disclosure of DFIs for the developing countries like India.

Keywords: Derivative financial instruments, risk, disclosure, transparency, accounting

1. INTRODUCTION

Usage of derivative financial instruments (DFIs) has been growing rapidly and the trading volume of DFIs is also gradually increasing all over the world. In one hand, derivatives may play important role in near collapses or bankruptcies, as in the case of Barings Bank in 1995, Lehman Brothers and American International

Group (AIG) in 2008; on the other, derivatives can bring substantial economic benefits when handled properly. At the same time proper accounting of DFIs becomes an important issue to keep the usage of the instrument under control. As derivative is simply a contract to buy or sell an underlying asset at future date, with the quantity, quality, price and other specifications defined today and most derivative contracts are recorded as off-balance-sheet items, lacking in transparency and the accounting treatment of derivatives has been applied inconsistently by different companies, the accounting part also becomes very complex. Proper disclosure of accounting information on DFIs helps to reduce information asymmetry and it becomes an indicator for investors in making their investment decision by the user companies. Accounting of DFIs had remained a big issue for a long period of time to the different national and international accounting standard boards. Of late, accounting standards on financial instruments have been framed and approved to deal with the issues of presenting, recognizing, measuring and disclosing financial instruments, including derivatives by the International Accounting Standard Board (IASB). These accounting standards are named as International Financial Reporting Standards (*IFRS*). In global scenario, the significance of convergence with IFRS of different national accounting standards is ever increasing. More than 120 countries have adopted IFRS across the globe. The countries have been adopting IFRS with an objective to increase the accounting transparency and comparability of accounting information throughout the world. India is also not lagging behind in this respect. Indian Accounting Standards has been replaced by Ind AS (IFRS) from 1st April 2016. Diverse accounting treatment of complex derivative transactions invites the need for uniform accounting and financial reporting standard for DFIs.

This significant event, adoption of converged Ind AS (IFRS) in India, frames ground for opportunities of this research in the field of accounting for derivatives and IFRS. First it looks at the impact of reporting and disclosure of DFIs provided pre and post introduction of IFRS (Ind As) in India; second it examines the uniformity between the companies of Indian economy and foreign economy in respect of derivative accounting; third the study compares the actual level of accounting disclosure on DFIs with the expectation of IFRS.

2. REVIEW OF LITERATURE

Literature review has been categorized under the heads of derivative and disclosure of derivative financial instruments to identify the research gap.

2.1. Derivatives

A derivative instrument is considered as a risk management tool which can be used by an organisation to transfer risk effectively. Derivative can be used as an

excellent vehicle for transferring risk caused by uncertainty and volatility in underlying asset (Varma 2008, Vashishtha& Kumar 2010). According to Stulz (2004) and Verma (2008), derivatives allow firms and individuals to hedge risks and to handle risks efficiently. Vshishtha & Kumar (2010) and Prabhakara (2013) also identified the derivative as a very important tool of risk management provided (Selvam and Rita, 2011) the users of derivative instruments understand the pros and cons of it.

According to Hwang (2002) & Prabhakara (2013), changes in the global economy and innovations in financial markets have led to increasing use of financial derivatives which have earned a well deserved and extremely significant place among all the financial instruments (products).The usages of financial derivatives as risk management tools are increasing gradually in India both in terms of volume and number of contract traded (Gope2014, Prabhakara2013). According to Greenspan (1997), financial derivative instruments are the extraordinary development and expansion in the subject of finance in recent time. Although according to Huan & Parbonetti (2019), banks increase risk by using derivatives unwisely.

Derivatives are used by firms to hedge cash flow and earnings from unfavorable fluctuations in risk exposures, such as interest rates, foreign currency exchange rates, and commodity prices (Bartram et al. 2009). Ernst & Young (2006) has shown that a majority of investors have identified transparency as the most important aspect at the initial stage when considering an investment.

But according to Woods & Marginson (2004) financial reporting practices are not enough to disclose the organisation's financial risk exposure. According to Strouhal et. al. (2010), the low level of information provided for derivatives operations can turn derivative financial instruments into a potential source of private information and furthermore to abnormal returns since all the market participants do not have access to the information that they need. Incomplete supply of information causes information asymmetry (Leuz &Verrecchia, 2000). Thus the management requires disclosing how efficiently the management uses the Derivative financial instruments to tackle the risk arises in the business (Mitra & Gope 2013).

2.2. Disclosure of Derivative Financial Instruments

According to Welker (1995) & Leuz and Verrecchia (2000), improved and better disclosures reduce information asymmetry and lead to a greater liquidity of the stock and raises demand from large investors which decreases an entity's cost of capital. The disclosure of accounting information helps to bring symmetry for disclosing information and also lights on the volatility of returns which works as an indicator for both domestic and foreign investors in making their investment

decision (Levine et. Al. 2000). Verechia (2001) pointed out that information asymmetry between stakeholders and management is the starting point of a comprehensive theory of disclosure in the field of accounting. Malaquias, Lemes (2013) traced out that the reason of low level of disclosure in the field of accounting is lack of economic incentives. IFRS being fair value principles based accounting would improve the disclosure level and enhance international comparability and understanding of financial statements (Kalra&Vardia, 2016).

Martín & Osmab (2018) & Durocher and Gendron (2010) remarked that sophisticated financial statement users are diverse and while all of them should benefit from the information provided by firms at the time of reporting as per IFRS. This study of Bischof (2009) examined the effects of IFRS 7 adoption on disclosure practice from a sample of 171 banks from 28 different countries of Europe. The level of disclosure has significantly increased during the year of the standard's first-time adoption. This is due to both a more extensive description of accounting policies and a more elaborate disclosure of information about exposures to significant risks. Chalmers and Godfrey (2000) concluded that companies are not disclosing details about derivative accounting policies making information not useful and not comparable. They also found diversity in terms of clarity, detail and consistency of companies' disclosures about the classification of accounting policies. According to Strouhal et. al. (2010), the very low level of information reported on derivatives operations might be the signal of an alarming situation concerning the characteristics of accounting information. According to Lopes & Rodrigues (2007), some economic sectors can have greater institutional pressures for disclosure of information than others.

Hunziker (2013) revealed that in Switzerland, Significant associations are found among the number/amount of market risk disclosures and company size. Likewise a significant association is found between the number/amount of risk disclosures and the company's risk proxies by gearing ratio. However, no association is found between the number/amount of risk disclosures and the company's performance. Lopes & Rodrigues (2007) concluded that the disclosure degree is significantly related to size, type of auditor, listing status and economic sector. Gope (2017) finds that disclosure level on DFIs is related to firm's size and listing status of the said firm although the other factors like industry type, leverage of the firm and profitability have no influence on the level of disclosure. The findings of the study conducted by Das & Srivastava (2023) imply that adopting IFRS has improved the accuracy and comparability of financial reporting, which has benefited Wipro as well as the Indian IT industry as a whole.According to Mamasabirovich & Hakimovich (2023), the adoption of IFRS represents a new phase in the modernization and reform of economic enterprises' accounting and reporting. However, Abhinaya & Vidyashree (2016) strongly

recommended the convergence of Indian GAAP with IFRS as the adoption would confer advantages.

3. HYPOTHESIS DEVELOPMENT

Review of literature reveals asymmetrical views regarding the disclosure practices of DFIs in case of IFRS user companies and there is no dearth of specific studies on the Impact of IFRS (Ind AS) on Derivative Financial Instruments in respect of reporting and disclosure of the instruments. Thus the hypotheses are developed as follows:

Ho1: No differences exist between the levels of reporting and disclosure of DFIs provided pre- and post introduction of IFRS (Ind As) in India.

Ho2: No differences exist among the selected foreign economy and Indian economy for reporting and disclosure of DFIs under IFRS (Ind As) in their annual reports.

4. RESEARCH METHODOLOGY

The research methodology is delineated below:

4.1. Population and Sample Selection

Data has been retrieved from two set of groups. The first one is from India and the second group comprises of United Kingdom, European Union, Canada, Germany and Switzerland. The population of the study has been taken from the respective stock exchange websites. Companies are eliminated that did not upload annual reports or not reported in English language or because of the partial uploading of the annual reports or the companies did not use Derivative financial instruments during the period or didn't follow the required accounting standard.

Simple random sampling has been used to select a sample of 80 annual reports of selected companies from both the groups.

4.2. Data Collection

With the objective of identifying disclosure practices concerning Derivative financial instruments content analysis technique is applied to selected companies' annual reports, which are comprehensively analyzed. Content analysis (CA) - is a widely used method in accounting research. According to US General Accounting Office (1989), content analysis is a set of procedures for collecting and organizing information in a standardized format that allows analysts to make inferences about the features and meaning of written and recorded substance. Jones & Shoemaker (1994) stated that Content analysis has been widely used in accounting research, applied to annual reports in order to analyze several issues,

such as social, environmental, research and development disclosures. This analysis is based on the list of categories, covering the main items that allow us to identify the existence of disclosures required by IFRS 7.

4.3. Disclosure Index

According to Htay et al. (2011) disclosure of information in the annual reports is highlighted as one of the important aspects of the good corporate governance. Hassan & Marston (2010) opines that a disclosure index could include mandatory items of information and/or voluntary items of information.

Disclosure level of FI of Malaysian companies as per MFRS 7 is 80.76%. (Adznan & Nelson 2014) & Macedonian companies provide 62.75% of mandatory information for financial instruments as required by relevant IFRS 7 requirements (Atanasovsk, 2015).

The score is calculated following score index where total score is 19.The indexes are constructed according to the literature on related areas, and have two main characteristics:

Dichotomous: The score 1 (one) is allotted for disclosing an item in the annual report of the company and otherwise 0 (zero), so it is dichotomous in nature.

The total score for a company is:

$$Ts = \sum_{i=1}^{n} di$$

Where Ts is total score, di is 1 if item i is disclosed, and 0 otherwise; n is the maximum number of items.

Unweighted: The total score is computed without allotting any over and underweight. The implied assumption is that each item is equally important for all user groups. According to Lopes & Rodrigues (2007) although this assumption may not be realistic, but the resulting bias is smaller than the one that would result from assigning subjective weights to the items.

4.5. Statistical Tool Used

Especially non-parametric statistics is used, as the collected data does not follow normal probability distribution. The hypotheses are tested using descriptive statistics, Wilcoxon Rank test and Wilcoxon-Mann-Whitney test are used.

Wilcoxon Rank test (non-parametric) and the Paired-Samples T-test (parametric) are done to test whether there are significant differences between the levels of reporting and disclosure of DFIs between pre and post introduction of IFRS (Ind As) in India. Secondly, a Mann Whitney U Test and its parametric equivalent (the One-Way ANOVA) are done to investigate whether there are

significant differences between the levels of DFIs disclosure provided by Indian listed companies and selected foreign companies. Thirdly, binomial test is done to know the extent of reporting and disclosure level of DFIs under IFRS (Ind AS) by the Indian companies.

5. DATA ANALYSIS & FINDINGS

Indian Accounting Standards have been converted into IFRS-converged Indian Accounting Standards (Ind AS) on April 1, 2016. It has become mandatory for business entities having net worth of INR 500 crore or more as on 31st March, 2016 to follow the new Ind AS w.e.f. 1st April 2016.

Thus the question arises about the impact of IFRS-converged Indian Accounting Standards (Ind AS) in respect to reporting and disclosure of DFIs. To test significant difference, if any, existing between the levels of reporting and disclosure of DFIs between pre and post introduction of IFRS (Ind As) in India, Wilcoxon signed rank test is used.

Exhibit 1: Descriptive Statistics

	N	*Minimum (Level of disclosure)*	*Maximum (Level of disclosure)*	*Mean*	*Std. Deviation*
Reporting & Disclosure according to AS (Pre implementation of IFRS)	40	3	15	7.98	2.380
Reporting & Disclosure according to Ind AS (Post implementation of IFRS)	40	6	18	14.38	3.333

The study has been conducted with selected forty companies' annual report of pre and post implementation of IFRS (Ind AS). That is 80 annual reports of two financial years vis - a - vis , 2014-15 & 2016-17 have been studied and content analysis has been done to find out quantitative data on reporting and disclosure of DFIs.

Exhibit-2: Hypothesis test summary of wilcoxon signed rank test

Hypothesis Test Summary				
Null Hypothesis	*Test*	*Z*	*Sig.*	*Decision*
No differences exist between the levels of reporting and disclosure of DFIs between pre- and post- introduction of IFRS (Ind As) in India	Wilcoxon Signed Rank Test	-5.243	.000	Reject the null hypothesis.

The significance level is .01

The wilcoxon signed rank test rejects the null hypothesis which, in turn, proves that implementation of Ind AS (IFRS) has improved the reporting and disclosure level of DFIs. Equivalent parametric test (t-test) also indicates that values are significant at the 1% level delineated as follows:

Exhibit-3: Hypothesis test summary of t-test

	Paired Differences					*t*	*df*	*Sig (2 tailed)*
	Mean	*Std. Deviation*	*Std. Error Mean*	*95% Confidence Interval of the Difference*				
				Lower	*Upper*			
Pair : Pre & Post introduction of IFRS (Ind As) in India	-6.400	3.433	.543	-7.498	-5.302	-11.791	39	.000

Wilcoxon Signed Test and Paired-Samples t-Test are also done on different areas of reporting and disclosures of DFIs dividing the whole into five different groups namely (i) derivative financial Instruments (ii) fair Value (iii) hedge Accounting (iv) qualitative disclosure and (v) quantitative disclosure.

Exhibit-4: Items Disclosed for FI Categories Pre-and-Post IFRS

Reporting and Disclosure of DFIs	*Wilcoxon Signed Test*			*Paired-Samples t-Test*			
	Medians Difference	*Z*	*Sig. (2-tailed)*	*Mean difference*	*Stddevia-tion*	*t*	*Sig. (2-tailed)*
Pair 1: Derivative Financial Instruments (Pre & Post)	18	-1.826	.068	11.200	9.524	2.630	.058
Pair 2: Fair Value of DFIs (Pre & Post)	17	-1.976	.048*	24.250	5.058	9.589	.002**
Pair 3: Hedge Accounting of DFIs (Pre & Post)	18	-2.023	.043*	13.400	9.685	3.094	.036*
Pair 4: Qualitative Disclosure on DFIs (Pre & Post)	20	-2.023	.043*	16.200	6.301	5.749	.005**
Pair 5: Quantitative Disclosure on DFIs (Pre & Post)	18	-1.826	.068	24.250	12.447	3.897	.030*

** indicates that values are significant at the 1% level

*indicates that values are significant at the 5% level

Reporting and disclosure level are statistically significant in all the cases except in the case of 'derivative financial instruments' which consists of types of DFIs used by the companies, purposes of issuing or holding DFIs, category for DFIs used and recognition and de-recognition of DFIs.

Thereafter, the study has been conducted with selected 80 companies' annual report of which 40 are foreign companies and another 40 belong to Indian

companies of the year 2016-17 where all the companies follow their accounting procedure as per IFRS or converged IFRS.

Exhibit-5: Mean Rank

	N	*Mean Rank*	*Sum of Ranks*
Foreign companies	40	44.70	1788.00
Indian Companies	40	36.30	1452.00
Total	80		

Mann-Whitney U test is conducted to test whether any differences exist between the selected foreign and Indian companies for reporting and disclosure of DFIs under IFRS (Ind As) in their annual reports. The exhibit-5 shows that mean rank and sum of ranks of foreign companies are higher than that of Indian companies which indicates that annual report of foreign companies are somehow better in terms of reporting and disclosing of DFIs.

Exhibit-6: Test Statistics of Mann-Whitney U test

Detail	*Level of disclosure*
Mann-Whitney U	632.000
Wilcoxon W	1452.000
Z	-1.632
Asymp. Sig. (2-tailed)	.103

The significance level is .05

Here, Mann-Whitney U test (Exhibit-6) is run to test significant difference, if any, between the two types of reporting and disclosure level. Here the test accepts the null hypothesis that means both the population groups belong to same group.

Exhibit-7: One-Way ANOVA

	Sum of Squares	*df*	*Mean Square*	*F*	*Sig.*
Between Groups	41.142	9	4.571	.874	.558
Within Groups	156.833	30	5.228		
Total	197.975	39			

Similar parametric test namely, One-Way ANOVA, is also done for the same hypothesis which indicates population means of both the groups are equal.

Therefore, it is apprehended that there is no difference between Indian and foreign company in case of reporting and disclosure of DFIs in the annual reports of companies

6. CONCLUSION

This study infers three research conclusions: (i) implementation of Ind AS (IFRS) has improved the reporting and disclosure level of DFIs in India (ii) uniformity has been achieved for both Indian and foreign companies in case of reporting and disclosure of DFIs reflected in the annual reports of companies.

The finding of the study emphasizes that IFRS being fair value principles based accounting standard would improve the quality of reporting and disclosures and enhance international comparability and understanding of financial statements in respect to DFIs. Although adoption of IFRS for DFIs, regulatory environment and enforcement of application of IFRS brings uniformity in case of reporting and disclosing of DFIs across countries but level of disclosure varies from company to company. According to Grosu & Chelba (2019), the disclosure requirements as per IFRS 7 must be accompanied by active legislation to ensure enforcement - and possibly even anti-fraud laws thereby assuring that the information described is fruitful. According to Nayak et al. (2020), IFRS will unavoidably help users of financial statements all over the world understand the information included inside them. The introduction of IFRS will enhance banks' operations worldwide by increasing openness and improving their credibility as bankers.

However, the study is not free from few limitations. Though disclosure index score is calculated carefully, errors might occur in case of construction of Index score card and while decoding disclosed information from the annual reports because of different ways of qualitative information disclosure.

References

Abhinaya, L. P., & Vidyashree, N. S. (2016). IFRS in India-its impact on Indian corporate: benefits and challenges. National Seminar on "IND-AS : A Road Map for IFRS in India"', VVPGC.

Adznan, S., & Nelson, S. P. (2014). Financial instruments disclosure practices: Evidence from Malaysian listed firms. *Procedia - Social and Behavioral Sciences*, 164, 62-67.

Atanasovsk, A. (2015). Empirical Investigation into the Determinants of Compliance with IFRS 7 Disclosure Requirements. *ACTA Universitatis Danubius*, 11 (2), 5-17.

Bartram, S., Brown, G., & Fehle, F. (2009). International evidence on financial derivatives usage. *Financial Management*, 38 (1), 185-206.

Buvaneswari, R.P. ; Ragupathi, M. ;Mani, A. & Kirubakaran, M. (2007). Indian Stock Market - Hedging of Index Future is a boon or bane. *Indian Journal of Finance*, I (3), 25-23.

Bischof, J. (2009). The effects of IFRS 7 adoption on bank disclosure in Europe. *Accounting in Europe*, 6 (2), 167-194.

Chalmers, K., & Godfrey, J. (2000). Practice versus Prescription in the Disclosure and Recognition of Derivatives. *Australian Accounting Review*, 11 (2), 40-50.

Durocher, S. and Gendron, Y., (2010). IFRS: on the docility of sophisticated users in preserving the ideal of comparability. *European Accounting Review,* 20 (2), 233–262.

Ernst & Young (2006). Risk Investor Survey Report http://www.ey.com/global/ssets.nsf/international/Global_Risk_investor_Survey_Report/$file; Accessed on: 29.03.2008

Gope, A. (2014). Indian Equity Derivative Market. *International Journal of business and Management*, 2 (6), 115-124.

Gope, A (2017). Accounting for Derivative Financial Instruments: An Analysis of Disclosure Determinants, *Amity Journal of Management Research* 2 (1), 10-19.

Grosu, V., & Chelva, A. (2019). IFRS 7 – Financial Instruments Disclosures. ECOFORUM, 8 (1), 1-6.

Hassan, O; Marston, C (2010); Disclosure measurement in the empirical accounting literature - a review article; Electronic copy available at: *http://ssrn.com/abstract=1640598;* Accessed on: 05/06/2015

Htay, S. N., Rashid, H. M., Adnan, M. A., & Meera, A. K. (2011). Corporate Governance and Risk Management Information Disclosure in Malaysian Listed Banks: Panel Data analysis. *International Review of Business Research Papers,* 7 (4), 159-176.

Huan, X., & Parbonetti, A. (2019). Financial derivatives and bank risk: evidence from eighteen developed markets. *Accounting and Business Research*, 49 (7), 1-28.

Hunziker, S. (2013). The disclosure of market risk information under IFRS 7 Evidence from Swiss listed non-financial companies. IFZ Working Paper No. 0020/2013, Lucerne University of Applied Sciences and Arts, Switzerland.

Hwang, A. (2002). Comparative analysis of accounting treatments for derivatives. *Journal of Accounting Education*, 20 (3), 205-233.

Jones, M. J., & Shoemaker, P. A. (1994). Accounting narratives: A review of empirical studies of content and readability. *Journal of Accounting Literature*, 13, 142-161.

Kalra, N., & Vardia, S. (2016). The Impact of IFRS on Financial Statements:A Study of Indian Listed Companies. *Pacific Business Review International*, 9 (5), 31-40.

Leuz, C., & Verrecchia, R. (2000). The Economic Consequences of Increased Disclosure. *Journal of Accounting Research*, 38, 91–124

Levine, R., Loayza, N., & Beck, T. (2000). Financial intermediation and growth: causality and causes. *Journal of Monetary Economics*, 46 (1), 31-77.

Lopes, P. T., & Rodrigues, L. L. (2007). Accounting for financial instruments: An analysis of the determinants of disclosure in the Portuguese stock exchange. *The International Journal of Accounting*, 42, 25-56.

Malaquias, R., & Lemes, S. (2013). Disclosure of financial instruments according to International Accounting Standards: empirical evidence from Brazilian companies. *Brazilian Business Review*, 10 (3), 82-107.

Martín, F.M.H; A & Osmab, A.B.G (2018). Does IFRS 9 Consider Financial Statement Users' Preferences with Respect to IFRS 13 Fair Value Hierarchy? A Suggestion to Refine the Definition of OCI. Estudios De Economía Aplicada , 35 (2), 515-536.

Mitra, G. &. (2013). IFRS on Derivative Financial Instruments. DBM Social Science Reporter, 1 (1), 12-19.

Prabhakara, T. (2013). Derivatives, Hedge Accounting Disclosure and Impact on Indian Financial Market. Golden Research Thoughts, 3 (3).

Varma, J. R. (2008). Derivatives and Risk Management, McGraw Hill Companies, New Delhi.

Vashishtha, A., & Kumar, S. (2010). Development of Financial Derivatives Market in India- A Case. *International Research Journal of Finance and Economics* (37), 15-29.

Selvam, V., & Rita, S. (2011). Financial Derivatives - Real Challenges in India. Advances In Management, 4 (1), 20-23.

Strouhal, J., Bonaci, C., & Matis, D. (2010). Accounting for Derivatives: Hedging or Trading? Wseas transaction on business and economics, 7 (3), 242-251.

Stulz, R. (2004). Should We Fear Derivatives? *Journal of Economic Perspectives*, 18 (3), 173-192.

United States General Accounting Office (1989), Available at http://archive.gao.gov/d48t13/138426.pdfAccessed on: 12/09/2014

Verrecchia, R. E.,(2001), Essays on Disclosure, Available at: http://papers.ssrn.com/sol3/papers.cfm?abstract_id=276699; Accessed: 28.08.2014

Welker, M. (1995). Disclosure Policy, Information Asymmetry, and Liquidity in Equity Markets. *Contemporary Accounting Research*, 11 (2), 801-827.

Woods, M. & Marginson, D. (2004). Accounting for Derivatives: Anevaluation of reporting practice by UK Banks. *European Accounting Review*, 13 (2), 373-391.