

Abstract

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The Effect of Firm Characteristics on Corporate Voluntary Disclosure: An Empirical Study on Listed Companies in Egypt.

Due to various corporate scandals over the past years, there has been a great interest regarding corporate disclosures, in particular voluntary disclosures. As a developing country, Egypt lacks research in aspects related to voluntary disclosure. The aim of this study is to examine the effect of the firm characteristics on the extent of voluntary disclosure on the annual reports of a sample of 51 firms listed in the Egyptian Stock Exchange, from 14 different industrial sectors from 2010 to 2014. Analysis was carried out using several statistical tools and techniques first, descriptive statistics was used to describe the data, and also correlation was used to find the relationship among variables of the study. Regression analysis is conducted using Ordinary Least Square method. The results show that firm size, firm age, and audit quality have a significant positive relationship with the level of voluntary disclosure in the annual reports of firms, while leverage and profitability show an insignificant relationship. The empirical results of this study could be useful to managers in improving their disclosure policies and also investors and creditors for making better investment and financing decisions as well as external auditors can use it to improve the disclosure of their clients and therefore leading to better performing companies in Egypt.