THE INFORMATION CONTENT OF ANNUAL GENERAL MEETINGS: EVIDENCE FROM THE NAIROBI SECURITIES EXCHANGE

BY

ONG'AYO DENIS NYAKWAYE

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DECLARATION

This research project is my original work and has not been presented for a degree in any other university.

Signature…….

Date……

ONG'AYO DENIS NYAKWAYE
D61/67832/2011

This research project has been submitted with my approval as the university supervisor.

Signature……

Date……

Mr. CYRUS IRAYA
Lecturer,
Department of Accounting and Finance
School of Business, University of Nairobi

DEDICATION

With tremendous love, I dedicate this work to my beloved Family, my Dad Mr. Jeremiah, Mom Mrs. Anne, brother Edwin and sisters; Nancy, Maureen and Emily for their moral, spiritual, and continued support they have rendered to me towards my education. May the Almighty God richly bless them, I love you all.

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ABSTRACT

The Annual General Meeting constitutes one of the main instruments that companies have to release information to stockholders and financial markets.The objective of the study was to assess AGM information content in the Nairobi Securities Exchange. The study employed descriptive research design using event study methodology which enabled the researcher to find an association between information released on the annual general meeting and stock returns. The target population consisted all 62 companies listed at the NSE. The study used secondary data from the Nairobi securities Exchange, Capital Markets Authority and Annual reports of the firm. The study followed the classical Brown and Warner (1985) event study's methodology that computes abnormal returns (AR) as the difference between actual and expected returns. The findings of the study show that both the average abnormal returns and cumulative average abnormal returns are significantly different from zero. The market overreacts in anticipations of AGM announcement but corrects itself after the AGM news has been realised.

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LIST OF ABBREVIATIONS

AAR	Average Abnormal Return
AGM	Annual General Meeting
AR	Abnormal Returns
CAAR	Cumulative Average Abnormal Return
CAR	Cumulative Abnormal Return
CAPM	Capital Asset Pricing Model
CBK	Central Bank of Kenya
CRSP	Center for Research in Security Prices
CMA	Capital Markets Authority
EMH	Efficient Market Hypothesis
IFC	International Finance Corporation
PEAD	Post Earnings Announcement Drift
NSE	Nairobi Securities Exchange
NYSE	New York Securities Exchange
SP	Statistical Package for Social Scie

CHAPTER ONE

INTRODUCTION

1.1 Background of the study

The reaction of stock prices to information releases during corporate events is a well-established line of research in finance. Abnormal returns around company events have been usually interpreted as evidence against the EMH. Fama (1998) however argues that event study methodology that investigates the reaction of stock prices to specific company events cannot properly be used to test EMH.

Academic finance has evolved a long way from the days when the efficient markets theory was widely considered to be proved beyond doubt. Behavioral finance-that is, finance from a broader social science perspective including psychology and sociology-is now one of the most vital research programs and it stands in sharp contradiction to much of efficient markets theory. (Shiller, 2003)

Annual General Meeting constitutes one of the main instruments that companies have to release information to stakeholders and financial market. In the AGM a number of activities usually occur including the address of shareholders by the corporate executives with the business community also listening. This meeting from the legal standpoint allows the shareholders to manage the excesses of the managers with certain critical decisions only occurring at the AGM, like election of the Board of Directors. Critical managerial decisions about the mangers' views about the company progress are also made here.

1.1.1 Informational Content of AGM

The notion of information content is related to statistical probability. If a unit is totally predictable then, according to information theory, it is informationally redundant and its information content is nil (Chalker and Weiner, 1994).

The main functions of the AGM include to obtain shareholders' approval of the decisions that do not rely on the mangers' discretion of the board, providing a forum for deliberations between mangers and shareholders on the previous performance of the company and the future outlook and prospects and informing the shareholders on the financial results and the major business decisions already undertaken (Strangling, 2003). Two of these functions involve the transmission of relevant information to stakeholders.

The studies on this issue include Flirth (1981) that did a study with a sample of 120 firms listed in the US stock market concluding that the AGM does not provide high level information with investigations done on trading volumes and behavior of returns after an AGM. Prior or after the AGM this study did not show any abnormal behavior of returns or trading volumes after the AGM. However Flirth had a number of limitations that made his result difficult to be compared with others like using weekly returns instead of daily returns.

To assess for the informative content of the AGM in civil-law country, we empirically test whether there are differences in the impact of AGM on returns, returns volatility and trading volumes. Abnormal price changes (Beaver, 1968) and abnormal trading volume (Kim and Verrecchia, 1991) is the investor's response to disclosure information.

Therefore whenever AGM is translating new information to the financial markets we expect abnormal results.

1.1.2 Stock Returns

Stock returns reflect new market-level and firm-level information. As Roll (1988) makes clear, the extent to which stocks move together depends on the relative amounts of firm-level and market-level information capitalized into stock prices.

Finance theory suggests that stock market returns rather than volatility have predictive power for investment and output because stock market returns are a forward-looking variable that incorporates expectations about future cash flows and discount rates. Several studies have confirmed the predictive power of stock market returns for investment and output, among them Fama (1981), Fischer and Merton (1984), and Barro (1990)

In explaining fluctuations in stock market valuation levels, Campbell and Shiller's (1988) dividend yield model has been widely used. The Campbell–Shiller model relates the dividend–price ratio to a present value of expected future returns and future dividend growth rates: high prices should eventually be followed by high future dividends, low future returns, or some combination of the two. This model is useful and convenient for empirical implementation.

The stock markets in developing nation face challenges if not well monitored like lack of well-developed investor base, liquidity challenges and low volume of activities. A well-functioning stock market reduces principal-agency problem and information asymmetry hence enhancing allocation of resources. In some developing nations analysts consider

stock markets like ‘casinos’ with little impact on economic growth with recent evidence affirming that stock markets can boost economic development (Pagano,1993).

1.1.3 Effect of AGM on Stock Returns

In regard to theoretical foundations of the expected relationship between Informational content AGM and stock return, we adopt the standard framework used in the literature to analyse the reaction of stock prices to any particular corporate event implying the release of potential relevant information to the market.

Kaly and Loewenstein (1985) reported abnormally high returns on dividend announcement dates. The authors interpreted this finding in terms of the increase in expected return and risk associated to predictable events that would generate new information. Clubb (1995) found changes in share prices significantly due to financial disclosures.

Flirth (1981) conducted his research with a sample of 120 companies listed on the UK stock market using weekly data without being able to spot prices or abnormal trading volumes, concluding that the AGM do not seem to provide a higher level of information than average. Brickley (1985) conducted his investigation with a random sample of 100 firms listed in CRSP for the period 1978-82 to analyze the profitability during the days around the event. The author finds positive abnormal returns around the shareholder meetings and therefore the results are consistent with the ones obtained years earlier by Kalay and Loewenstein.

1.1.4 The Nairobi Securities Exchange

The Nairobi Securities Exchange (NSE) has a long history that can be traced to the 1920's when it started trading in shares while Kenya was still a British colony (IFC/CBK, 1984).The trading was initially conducted in an informal market but there was a growing desire to have a formal market that would facilitate access to long-term capital by private enterprises and also allow commencement of floating of local registered Government loans.

The Nairobi Securities Exchange was constituted in 1954 as a voluntary association of stockbrokers registered under the Societies Act. This was made possible after clearance was obtained from the London Stock Exchange which recognized the NSE as an Overseas Stock Exchange. This was important because an exchange not recognized by the leading stock exchange was of little value and credibility. The business of dealing in shares was then confined to the resident European community, since Africans and Asians were not permitted to trade in securities until after the attainment of independence in 1963.

A statutory regulatory framework was established as part of the ongoing capital market reforms in an effort to strengthen the regulatory infrastructure. In order to establish a regulatory body, legislation was adopted to facilitate formulation of rules and enhancing the effectiveness and efficiency of the operations of the Capital Market Authority (CMA). The Authority was established in 1990 through the Capital Market Authority Act (Cap 485A).

The CMA is composed of eleven members who include: the Chairman, who is a non-executive member appointed by the President on recommendation of the Minister for Finance; six members who include professionals in law, business, accountancy, finance and insurance and appointed by the Minister for Finance; the Chief Executive who is appointed by the Minister for Finance; and three permanent members, that is the Permanent Secretary (Treasury), the Governor of the Central Bank of Kenya, and the Attorney General. Except for the three permanent members, the rest are appointed for a three-year period and are eligible for re-appointment.

The basic powers of the NSE are embodied in its constitutive documents, the CMA Regulations, Membership and Trading Rules and the Listing Manual.

Economic development of a country is accelerated by financial markets through the facilitation of funds flow from savers to investors. Stocks and bonds are usually associated with financial resource mobilization. Through the capital markets the public can be able to own shares therefore distributing risks and also enhancing wealth among the smaller investors. Tuladhar (1996), reports that an efficient capital market is one that enhances constant liquidity with an easy entry and exit amongst the investors hence the importance of the stock market in any economy.

1.2 Research Problem

The impact of corporate events on Value Company has been well researched especially on earning announcement. Beaver (1968), Aharony and Swary (1980), Ball and Kothary (1991) are some of the research done on impact of earning announcement on stock returns. Dividend announcement is also another event that has been highly investigated.

Watts (1973) and Michaely et al., (1995) are among research who have investigated the reaction of stock prices to dividend announcement. Impact of stock splits on stock returns has also been given a lot of attention has indicated by Lamourex and Poon (1987), and Ikemberry et al., (1996). Release of potential relevant information is a common among the mentioned event. Informational content of Annual General Meeting has almost no attention in literature despite the fact that there are certain decisions that can only be made on the AGM like election of board members.

There have been few studies conducted on the issue of AGM in the UK and US with very little information in Africa and specifically Kenya. In the US a study was done for the period 1978-82 using a random sample of companies traded in the New York Stock Exchange (NSYE). There is larger empirical literature on stock market reaction to information disclosure like stock splits, AGM, dividend announcements, macroeconomic policy changes and merger announcements.

The evidence adduced in these studies cannot be applied to Africa's emerging markets like Kenya due to varying accounting standards and operating environment. The developed markets are also highly liquid, closely regulated with adequate research on securities. In developing nations there are uninformed investors, low liquidity levels, weak legal, institutional and regulatory framework with many operational bottlenecks (Osei, 2002).

In NSE several researches have been conducted on informational content of various corporate event for example, Njoroge (2003) examined the impact of rights issue announcements on share prices, Nyamolo (2010) conducted a study on information

content of annual earnings announcement and Omayio (2012) conducted a study on the information content of merger and acquisitions announcement but none has focused on informational content of AGM on companies listed at the NSE.

Due to scanty research on emerging capital markets in Africa further research on the responsiveness of markets and efficiency to information disclosure is crucial (Harvey, 1994). Very few studies have been conducted on African markets on information efficiency (Adelegan, 2003).

From the above research gap, this study aimed to address the following research question: "What is the relationship between informational content of AGM on companies listed at the NSE?"

1.3 Research Objective

To establish whether AGM information content in the Nairobi Securities Exchange.

1.4 Value of the Study

This research was aimed to extend evidence on how the stock returns reacts to informational content of AGM for a sample of listed firms on the Nairobi Securities Exchange. Evidence from analysing stock price reaction to informational content of AGM in a developing and emerging market respectively casts more light on whether the theory of efficient markets is supported, or contradicted by the various empirical findings.

This study is of great significance to policy makers, investors, regulators and researchers as the investors seek to increase their portfolio returns by trading around the AGM dates. Studies on the effect of corporate events on stock prices are well studied but little

research has been devoted to Annual General Meeting (AGM). Based on the limited research done, additional new information on AGM will help in the drawing of sound conclusions.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter will deal with theories related with the working of financial markets, stock return behavior with release of information from various events in different countries

2.2 Theoretical Review

The main purpose of this literature review is identify and examine what has been done by other scholars and researchers in relation to informational content of AGM. The theoretical review will provide detailed knowledge of what has been done and form a framework within which the research findings are to be interpreted.

The following section will describe and discus different theories such as Efficient Market Hypothesis, Asymmetric information theory and Random Walk Theory

2.2.1 Efficient Market Hypothesis

An efficient market theory is still an important part of modern finance. Its empirical evidence is ambiguous, but the concept itself is sound. It is fundamental idea in stock market prediction theory. Fama (1970) introduced the term efficient market as a market which adjusts rapidly to new information. Efficient Market Hypothesis states that securities markets are efficient, with the prices of securities fully reflecting all available information**.**

Efficient Market Hypothesis is usually applied to capital markets. Capital market efficiency is primarily associated with cost efficiency, while other markets are often

analysed from the perspective of the allocation efficiency (Blume, Durlauf, 2008). In general, an efficient stock market is a market where stock prices reflect fundamental information about companies. In such a case, the market value of the company changes in a way very similar to that of the intrinsic value of a company. These changes are not consistent with the value and do not restrain from trading financial assets.

Taking into consideration the information reflected in market prices, market efficiency is usually broken down into three levels. Weak, semi-strong, and strong forms of market efficiency are distinguished. In weak-efficient stock markets, the current stock price reflects all information related to the stock price changes in the past. Such information includes data on previous prices, trading volume, etc. Based on the above-mentioned information, it becomes then impossible to make excess profit in a stock market. Thus, if the market is weak, efficient, and technical analysis yields no excess return. In semi-strong efficient markets, current stock prices reflect not only information about historical prices but also all current publicly available information like announcements of acquisitions, changes in board of directors, etc. In strongly efficient markets, current stock prices reflect all possible information which does not necessarily have to be public.

There are four conditions that need to occur in order for an efficient market to exist. First, there must be a large number of rational investors, who actively participate in the market. A rational investor is one who wishes to maximize their expected return for a given level of risk (Peters, 1994). Second, information must be costless and widely available to all market participants. Third, information must be dispersed in a random fashion, which implies that announcements are independent from each other. Finally, investors must react quickly and fully to new information.

The idea of market efficiency initially appeared in the 19th century. It reached its academic maturity in the eighties, however, since then its popularity and empirical validity has declined. No other theory in finance generates more passionate discussion between its challenges and proponents like EMH.

The traditional argument for the weak-form efficiency is return independence which is usually measured by correlation. Allen, Brealey and Myers (2011) analysed a set of blue-chip companies where the correlation coefficient of return on two consecutive days ranged from -0.03 to 0.03. This led to the conclusion that stock return today will not influence the stock return tomorrow. One could argue that a one-day period is too short to spot the potential dependencies. On the other hand, Allen, Brealey and Myers (2006) showed that the results remained nonetheless unchanged when analysing weekly returns. Parks and Zivot (2006) argued that technical analysis would only be profitable if transaction costs did not exist. Technical analysis is not popular among academics but is still widely applied by professionals (Mishkin and Eakins, 2012).

Another argument for the weak-form efficiency is a timely and accurate stock price adjustment after key announcements (e. g., mergers and acquisitions, divestitures, stock splits). The research of stock price changes after the key announcement is often referred to as “event studies”. The results of event studies have many times proved the presence of semi-strong market efficiency. Shleifer (2000) analysed aggregated data on investor reaction to corporate news and concluded that price adjustments were in line with the semi-strong form of market efficiency. Shleifer (2000) claimed that stock price drift began before the actual announcement, showing market anticipation or information leaks.

On the announcement day, the stock price would jump up or fall down to its new intrinsic value and remain relatively constant for at least one month. Shleifer (2000) argued that this price change was not only rapid but accurate as well, for example, announcements were not followed by further price corrections.

Multiple modern finance phenomena appear to be incompatible with the EMH. First, investing in small-cap companies' yields generally higher returns than investing in large-cap companies. It was Fama and French (1988) who studied this phenomenon as well. They concluded that small firm effect did not discredit the EMH but was a result of a misleading assumption in the CAPM. Fama and French (1988) argued that the slope of the market line is greater than it should be in practice. In other words, the risk taken is less dependent on the correlation of company and market return.

A number of contradictions to market efficiency arise from the irrationality of market participants, which is analysed in behavioral finance. It is not only amateur investors who make irrational decisions. When asked about future returns of the S&P 500, individual investors saw them directly proportional to the current rate of return, while institutional investors saw them inversely proportional (Shefrin, 2007).

2.2.2 Asymmetric information theory

The tools have been used to open vast research agendas in many areas of economics, including corporate finance. In corporate finance, asymmetric information refers to the notion that firm insiders, typically the managers, have better information than do market participants on the value of their firm's assets and investment opportunities. This asymmetry creates the possibility that the market will not price the firm's claims correctly, thus providing a positive role for corporate financing decisions.

Asymmetric information theory, pioneered by the 2001 Nobel laureates, introduced the concept of adverse selection. When contracting with an agent with superior information, an uninformed agent faces the consequences of adverse selection because he does not know if the relevant characteristics of the informed agent are good or bad. To demonstrate the adverse selection problem and how signaling can resolve it, Akerlof (1970) used the lemons market for used cars to illustrate how sellers of good quality cars can use a warranty to signal quality to buyers who cannot otherwise distinguish between good cars and lemons. Absent a means for buyers to distinguish the quality of a used car, the equilibrium used car price will be the expected value of a used car. This is a pooling equilibrium, because the average price is paid for cars of varying quality (value) that are indistinguishable. In a pooling equilibrium, sellers of lemons are big winners, sellers of good cars are big losers, and buyers are indifferent. Thus, the cost created by the information asymmetry is borne entirely by the good quality car sellers. Clearly, the seller of a good quality car would benefit by conveying, or signaling, the Car's quality to buyers. The owner of a lemon will also wish to represent the quality of his car as good. Therefore, the signal must be credible if it is to be capable of allowing buyers to identify a used car's quality. In game-theoretic terminology a credible signal is incentive compatible. In other words, a credible signal is one that the owner of a lemon has no incentive to attempt to mimic. To credibly signal quality, the seller of a good quality car can offer a warranty.

Therefore company management defers the communication of bad information in AGM meetings as this could have detrimental effects the firm's value. They consider an AGM as a media event in which only good news about the company should be communicated

and bad news done in another day with the thinking that bad news in any other day than the AGM is not harmful. This thinking is supported by Kothary et al. (2008) who reports that firms can manage the times of releasing good and bad news about the company. This line of thought is in sync with agency theory which states that there is information asymmetry between investors and managers. According to Frankel et al. (1995), public good news about a firm is usually made prior to issue of new stock. On the other hand good news is withheld before the grant of stock options with the aim of lowering the stock prices hence striking the price of the option (Yermack, 1997). Financial executives manage their financial reporting so that they influence prices of stocks (Graham et al., 2005). In this study a survey was done with the aim of finding the factors that drive reported earnings and disclosure decisions pointing out that managers strongly withhold bad news hoping that the situation improves later on without the release of such information. An instance is the case by the European Aeronautic Defense and Space Company that involved the new Airbus A-380 (Kothari et al., 2008).

2.2.3 Random Walk Theory

For many years economist, statisticians, and teachers of finance have been interested in developing and testing models of stock behavior. One important model that has evolved from these researches is the theory random walk, (Fama, 1965).

Empirical support for the view that share prices do not behave in a systematic manner but are more akin to a random walk was initially put forward by Kendall (1950) and has since been supported by many other studies of share price behavior (Foley, 1991). Fama (1978) provides a comprehensive review of the early development of both the theory and

empirical work. A random walk simply means that successive price changes are independent of each other.

Random walk theory which is the brainchild of academics based on extensive research states that the future price of stocks is completely independent of past trends, Mbat (2001). The main characteristic, which is fundamental for market efficiency is that there is statistically independent relationship between future prices of stocks and their past prices.

The idea of stock prices following a random walk is connected to that of EMH. The premise is that investors react instantaneously to any informational advantages they have thereby eliminating profit opportunities. Thus, prices always fully reflect the information available and no profit can be made from information based on training. (Lo and McKinley, 1999). This leads to random walk where the more efficient the market, the more random the sequence of price change.

However it should be noted that EMH and random walks do not amount to the same thing. A random walk of stock prices does not imply that stock market is efficient with rational investors.

Kendall (1953) analysed London share price indices by finding serial correlation coefficients for the first difference of weekly observations. In general, these coefficients did not differ significantly from zero, and so supported the random walk hypothesis. Kendall concluded that investors could not make money by watching price movements and investing in shares which were apparently rising.

His paper is important because he attempted to analyse the indices by the conventional time series method of separating the series into trend, cycle, seasonal and residual components.

2.3 Determinants of stock return

There are factors that influence earnings of a stock.

2.3.1 Informational content of Annual General Meeting

A lot of researches have been done to measure the impact of informational content of corporate events on the value of companies. One of the most important corporate events is the AGM.

Kalay and Loewenstein (1985) state that event studies are comprehensive part in the investigation of financial economics. The author concludes that corporate events provide information to the market and therefore the risk per unit of time and consequently the required rate of return of a share are higher than usual during an event whose date has been previously established.

Brickley (1985) in his investigation with a random sample of 100 firms listed in CRSP found positive abnormal returns around the shareholders meetings.

2.3.2 Size of the firm

In the 80s the relationship between the size of a firm and stock returns was extensively investigated in developed, developing and group of countries. The findings of the

literature suggest that there is a significant linkage between firm specific factors and stock returns in the countries examined.

Size is often measured by Market value of Equity or Market capitalization. The reason why size is a main focus in studies on cross-sectional stock returns is that institutional and foreign investors tend to prefer large-size and fundamentally strong firms. Banz (1981), Basu (1983) and Keim (1983) provide empirical evidence to show that on average, small-size firms yield higher stock returns than large-size firms. Banz (1981), whose work covered data from 1926-1981, also specified that the superior average returns of small-size firms are already risk-adjusted. This provides evidence against the belief that small-size firms are generally riskier than large-size firms and, thus, deserving higher returns.

Bagherzadeh (2005) studied in his PhD thesis the factors affecting the return expected from the stocks of the companies listed on Tehran Stock Exchange. The results of this thesis show that there is a positive relation between the firm size and stock returns of the companies listed on Tehran Stock Exchange.

2.3.3 Earnings Announcements

The notion that returns reflect information about future cash flows in a timelier manner than earnings has been entrenched in the accounting and finance literatures since the publication of Ball and Brown (1968). The prices lead earnings relation has intuitive appeal and substantial empirical support. Beaver (1968) analyzed the extent to which earnings has information content about future cash flows, suggesting that information in realized earnings actually leads prices.

The interest about is more than intense since accounting numbers are published in order to assist investors to take rationale investing decisions. Beaver (1989) mentioned that earnings per share are the only figure in the financial statements that receives the greatest attention by the investors. Moreover, earning numbers are supposed to facilitate analysts and investors to forecast future cash flows and deal with relative investments risks. For the above reasons there have been many studies in US, Europe and Far East trying to evaluate the possibility of achieving this

Ball and Brown (1968) reported a drift in the stock returns after earnings announcements, a phenomenon which was later given the name of the Post-Earnings Announcement Drift (PEAD). Many researchers have confirmed the robustness of PEAD using different techniques and different data (e.g., Foster et al., 1984; Bernard and Thomas, 1990; Ball and Bartov, 1996; and Chordia and Shivakumar, 2005).

Capital markets research findings suggest that earnings announcements contain information which is believed to alter investors' opinion about the value of stocks through the process of impounding information on prices.

2.3.4 Stock split Announcement

The market also reacts to announcements of stock splits. Stock split refers to where all current shareholders receive new shares in exchange for each old share that they own (Jordan et al., 2012).

In recent times it is becoming a common phenomenon for companies to engage in stock splits. A study of the NSE by Chemarum (2010) found that the Kenyan market reacts

positively to stock splits, as shown by a general rise in volumes of shares traded around the stock split.

This is consistent with the signaling hypothesis, which states that managers of companies split their stock to act as a means of passing information to stock holders and potential investors. A study by Asquith, Healy and Palepu (1989) examined whether stock splits convey important information about earnings. The results show that firms split their stocks after a significant increase in earnings therefore leading investors to increase their expectations that the past earnings increases are permanent

2.4 Empirical Literature

Various researchers have investigated the relationship between informational content of events and stock returns.

2.4.1 International Evidence

Hussainey, Schleicher & Walker (2007) in a study conducted in the United Kingdom, related the quality of disclosure to share price anticipation of earnings. They hypothesized and found out that annual report narratives are of value to the market in pricing the future earnings of loss making firms. They also found out that the relevance of accounting narratives for forecasting and valuing future earnings is greater for loss making firms than for profitable firms. They suggested that a positive relation between disclosure and share price anticipation of earnings is largely driven by subsample of loss making firms.

Martinez-Blasco, Garcia-Blandon & Argiles-Bosch (2012) did a study in France, Germany, Japan and Spain about the informative content of AGM in civil law counties. They found out that for civil law countries, idiosyncratic characteristics of each country are more important than the legal origin. Only in Germany, the financial market average found the AGM informative. In Japan, France, and Spain the AGM is not releasing any value relevant information. Although the common characteristic of Japan, France, and Spain is in the inexistent reaction of financial market, the main differences among them arise during the days surrounding the AGM. The market anticipates the AGM in Spain, France reacts late to the shareholders meeting and Japan shows no kind of reaction within the event window. The researchers concluded that with exception of Japan and Spain, the investors of the remaining countries, independently of the legal origin, find the AGM informative and they review their portfolio according to the information released.

2.4.2 Local Evidence

Njoroge (2003) examined the impact of rights issue announcements on share prices of companies listed at the NSE. She examined whether the average abnormal return surrounding the rights issue announcement was statistically different from zero. The market model was used to derive expected returns and a t-test statistic was used to test the hypothesis. The result showed negative abnormal return prior to the announcement day of the rights issue and a moderate setback thereafter.

Nyamolo (2010) conducted a study on information content of annual earnings announcement for companies quoted at the NSE. The study employed event study methodology to ascertain whether investors relying on information release could make

any abnormal return by using new information released by firms. He concluded that earning announcement for sample firm had no information content and if there was, the market model did capture them hence not an appropriate model for measuring information.

Nkonge (2010) conducted a study on the effects of stock splits on securities returns of companies listed at the NSE. The study sought to establish such effect using the pre stock splitting firms. To mitigate for possible effect of event clustering on the tests results, control firm approach was employed. It involved a firm that did not perform split but with similar characteristics as the sample firm. Such a matching was used in place of a sample firm that had simultaneous dividend announcement.

Odumbe (2010) investigated the information content of bonus share announcements for companies quoted at the NSE. The study employed students to test for equality of event period and comparisons mean return before and after dividend announcement. The result of the study showed that the stock prices react to announcement of bonus issue. The researcher concluded that bonus announcement contained informational useful for valuing the stock.

Omayio (2012) conducted a study on the information content of merger and acquisitions announcement for companies quoted at the NSE. The study found that there was weak relationship between company returns for the period before and after mergers and acquisition announcements The regression analysis revealed that the relationship between returns and dummy variables was not statistically significant. The researcher concluded that Nairobi securities exchange reacts to any merger and acquisition.

2.5 Summary of Literature Review.

The theories discussed in this chapter explain how informational content of various corporate events affect the performance of the firm. However, the theories have not indicated the effect of informational content of AGM on the Financial Performance of a firm.

According to different studies, investigation of the effect of corporate events on stock prices is well established line of research in finance. Very little attention has been devoted to one of the most important and efficient instrument of corporate governance, AGM. There is no research that has been conducted on informational content of AGM in the context of NSE. Taking into account these gaps in the literature, the aim of this paper is to find out the informational content of AGM on companies listed at the NSE.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter is designed to describe the methodology and methods that was used in the study. It particularly focuses on research design, population of the study, sample and sampling design, data collection techniques and data analysis techniques.

3.2 Research Design

The researcher employed descriptive research design using event study methodology to enable us to find an association between information released on the annual general meeting and stock returns.

Mushidzi and Ward (2004) emphasises that event methodology is often used to determine whether there is a statistical difference between actual stock returns and expected returns surrounding an event.

3.3 Population and Sample

The target population for this study consisted of all 62 companies listed at the NSE as at 31 December 2013 regulated by the Central Bank known as the National Bank of Rwanda (Appendix I). A census approach was used since the number of listed companies at the NSE is small

3.4 Data Collection Technique

The study used secondary data from the Nairobi securities Exchange, Capital Markets Authority and Annual reports of the firm.

Data that will was obtained from the NSE covered the period between January 2009 and December 2013.The study focused on NSE performance as measured using the NSE 20 share index on a daily basis for the study period from Nairobi Securities exchange web page of the companies selected.

3.5 Data Analysis

The study followed the classical Brown and Warner (1985) event studies methodology that computes abnormal returns (AR) as the difference between actual and normal returns (Normal returns are the expected returns without conditioning on the event occurrence)

The effects of the information released was analyzed in forty days period around the AGM dates and the normal returns computed through an estimation of the market model for 50 days period ending 21 days before the AGM.

Therefore abnormal return for stock I on day t is shown as,

$$AR_{it} = R_{it} - E(R_{it} | X_t) \quad H$$

From above AR_{it} is the abnormal return of stock i on day t, R_{it} the actual return, adjusted by dividends and stock splits, calculated in the usual way as $ln((P_t+D_t)/P_{t-1})$, where P_t and D_t are the closing price and the dividend paid on day t respectively, and $E(R_{it}/X_t)$ the expected return for day t. Finally, X_t is the conditioning information set for the expected return on day t. Expected or normal returns have been computed through the market

model. The event window and estimation period are given by the intervals [-20, +20] and [-70, -21], respectively, with day 0 the the AGM date.

AGM day

The abnormal returns for each firm was calculated during the event window and statistical significance is used to determine the impact of the newly released information (Bodie *et al*, 2008).

After estimating daily average abnormal returns (AAR) for each stock i, the average abnormal return on day t, was calculated as:

$$AAR_t = \frac{1}{N}\sum_{i=1}^{N} AR_{it}$$

The calculated abnormal return was aggregated to draw an overall conclusion on the Annual General Meeting event. To accommodate a multiple period event window, the study will use of the Cumulative Average Abnormal Return (CAAR).

Cumulative average abnormal return (*CAAR*) will be computed by adding AAR for different intervals through the event window, as showed by expression.

$$CAAR_b = \sum_{t=a}^{b} AAR_t$$

The abnormal return data was analyzed by Statistical Package for Social Sciences (SPSS) version 17.0. Analysis was by descriptive and inferential statistics and significance tested by T-test. The level of significance was set at 5%.

To test for significance, the t-statistic for the AAR and CAAR was obtained and compared to the t-table values at 5% level of significance.

The AAR was fitted in a time plot to establish the trends.

CHAPTER FOUR

DATA ANALYSIS AND INTERPRETATION

4.1 Introduction

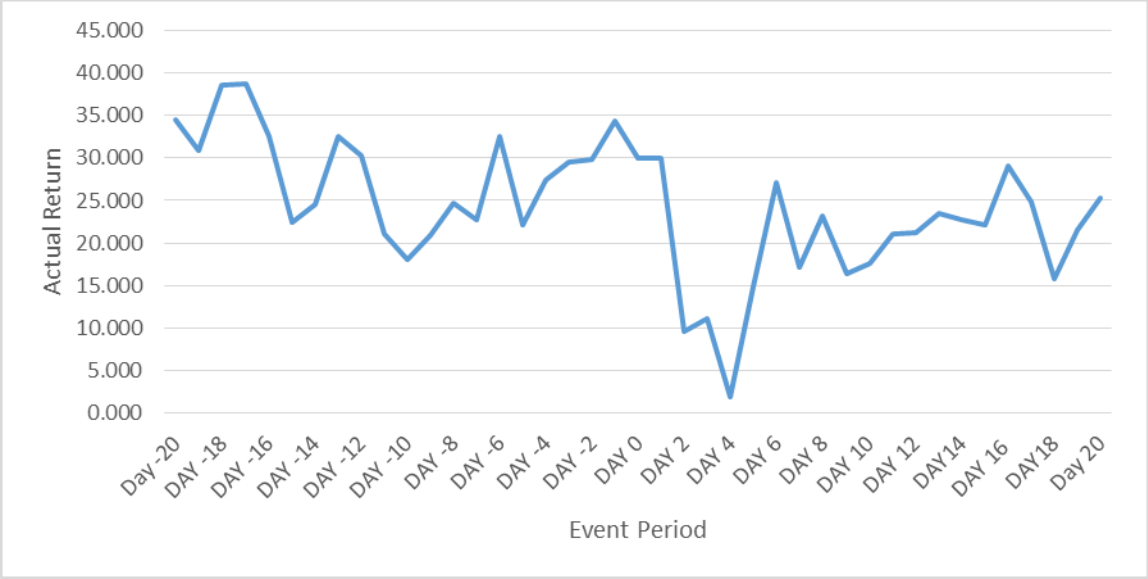
This chapter presents the study findings and its interpretations. The objective of the study was to establish whether AGM information content has influence in the Nairobi Securities Exchange. The chapter is divided into two sections namely descriptive statistics and inferential statistics.

4.2 Descriptive Statistics

This section sought to describe data that was used in the study. It will also test for normality. The findings are presented in figures and tables describing actual returns, expected returns, abnormal returns and the normality tests.

4.2.1 Actual Return

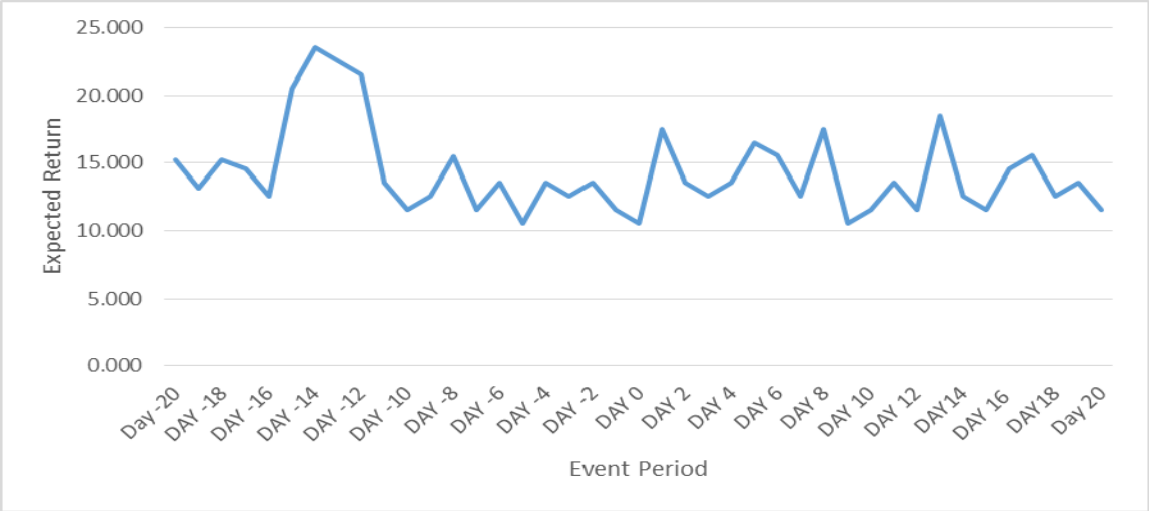
The study sought to describe actual return for the event period. Data is presented in figure 4.1 below.



The findings show that in all the event period, actual returns were positive away from zero. Actual return curve generally appears to be higher before the AGM announcement date than during the period after the announcement. This implies that that the market was expecting the AGM announcement to have great positive news. However, there was a downward slope of actual returns at day zero to day 2 and generally the curve was low after the AGM date. This shows that investors did not receive the information content they were expecting during the AGM day.

4.2.2 Expected Return

The study sought to describe expected return for the event period. Data is presented in figure 4.2 below.



The findings show that expected return curve was generally high during the period before the event day or day 0 than it was during after the event day. This implies that the market expected good news during the AGM which explains the difference. The expected return curve did not reduce greatly which shows that the market was fairly in agreement with the information content during the AGM.

4.2.3 Normality Test Results

The average abnormal returns which also represent the average alpha values or average abnormal returns were tested to determine whether they were significantly different from zero to derive conclusions about the semi strong form efficiency of the NSE. Table 4.1 presents the findings.

Table 4.1: Normality Test Results

Statistics

Abnormal Returns

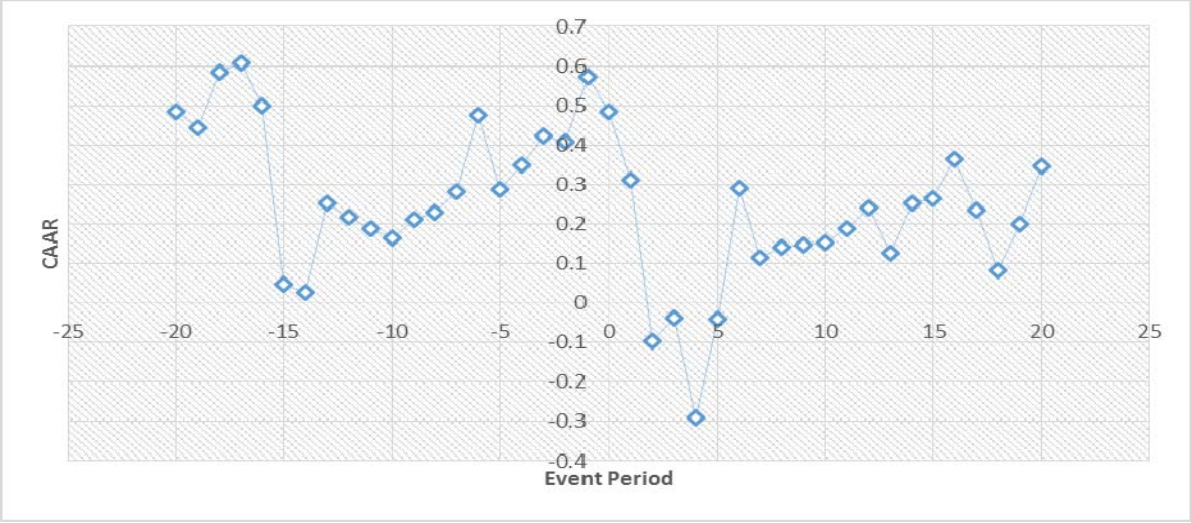
N	40
Mean	0.247
Max	0.607
Std. Dev.	0.194
Kurtosis	**3.201**
Probability	0.738
Sum Sq. Dev	1.471
Observations	40
Median	0.238
Min.	-0.29
Skewness	**-0.285**
Jarque-Bera	0.609
Sum	9.885

Tests of normality were done for the abnormal returns and they revealed the results of skewness test result of -0.285 and kurtosis test result of 3.2. The computation was not symmetric since the skewness was less than zero meaning that it was negatively skewed. This implied that there was a long left tail which for investors meant a greater chance of extremely negative outcomes. Kurtosis was used to show the degree of peak in the distribution. Since kurtorsis was positive, the distribution had fatter tails and that there were lesser chances of extreme outcomes as compared to a normal distribution.

4.3 Performance of Average Abnormal Returns

The average abnormal returns were plotted based on the average abnormal returns expressed in percentage against the event period in days. The findings shows that the abnormal returns were fluctuating mainly away from zero as presented in figure 4.3 below.

Figure 4.3: Average Abnormal Return Curve



After the event announcement date, other than from day 2 to day 5 when the average abnormal return appear negative, all the rest of the days during the event period exhibited positive average abnormal returns away from zero. The AAR curve generally appears to be higher before the AGM announcement date than during the period after the announcement perhaps an indicator that the market was expecting the AGM announcement to have great positive news hence the high abnormal returns and overreaction but when the announcement was made public, there was disappointment as the AGM information was not as good as the expectations by the market hence the drop

in abnormal returns and adjustment on day zero and fluctuation at lower abnormal return rates than before the AGM announcement dates.

4.3.1 Average Abnormal Returns T-Test

The study run a T-Test for average abnormal returns in order to determine if it is possible to make profits or abnormal returns from the AGM announcement information in the NSE. Table 4.2 presents the findings.

Table 4.2: Average Abnormal Returns T-Test

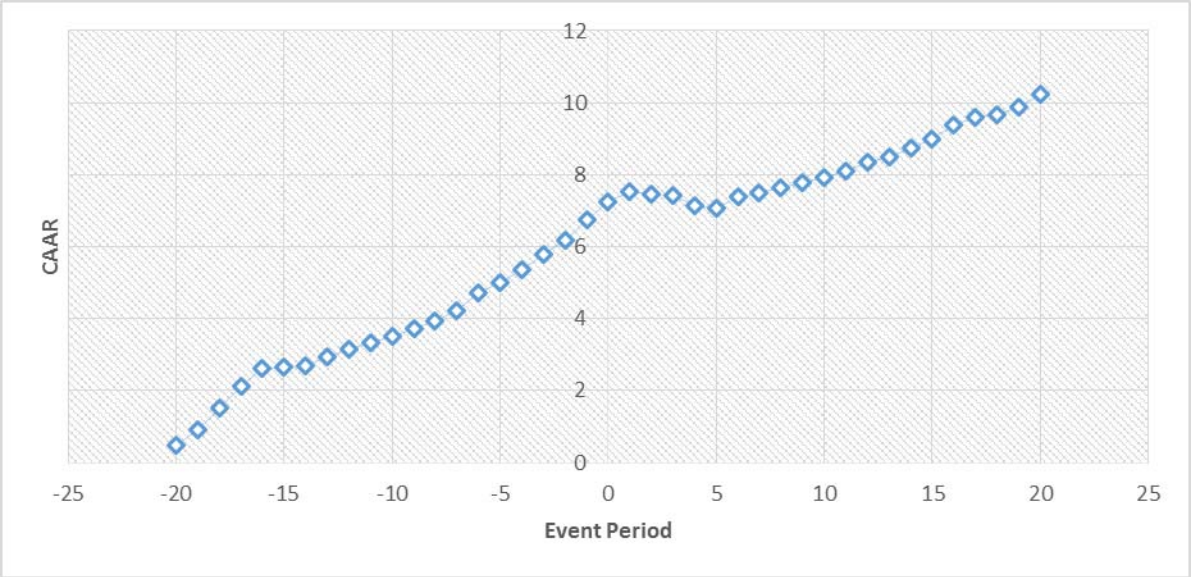
	Test Value = 0					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
AAR	8.305	40	0.000	0.24953	0.1888	0.3102

The results of t-test of average abnormal returns (AAR) revealed a p-value of 0.000 at 95% confidence interval. The findings implies that average abnormal returns are statistically equal to zero. The findings show that it is possible to make profits or abnormal returns from AGM information in the NSE as the stock prices do not assimilate such information instantly but do so in a lagged manner.

4.4 Performance of Cumulative Average Abnormal Returns

The cumulative average abnormal returns were plotted based on the cumulative average abnormal returns expressed in percentage against the event period in days. The study revealed that there was increased market activity in the form of increasing CAAR significantly from day -19 before the AGM announcement date which then declined slightly in momentum on day -15 but continued to increase up to the AGM announcement day 0. As shown in figure 4.4

Figure 4.4 Cumulative Average Abnormal Return Curve



The CAAR curve then dipped briefly from day 0 to day 4 which indicated earnings surprise that investors were the impact of the news released to be different from what was actually released.

4.4.1 Cumulative Average Abnormal Returns T-Test

The study run a T-Test for cumulative average abnormal returns in order to determine if there is significance relationship between CAAR and AGM in the NSE. Table 4.3 presents the findings.

Table 4.3: Cumulative Average Abnormal Returns T-Test

	Test Value = 0					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
CAAR	13.988	40	0.000	5.97827	5.1145	6.8421

The results of t-test of cumulative average abnormal returns (CAAR) revealed a p-value of 0.000 at 95% confidence interval. The findings means that both the average abnormal returns and cumulative average abnormal returns are significantly different from zero.

4.5 Discussions of the Findings

The study found that the AAR curve generally appears to be higher before the AGM information announcement date than during the period after the announcement. It also found that there was increased market activity in the form of increasing CAAR significantly from day -19 before the AGM announcement date which then declined slightly in momentum on day -15 but continued to increase up to the AGM

announcement day 0. The findings by Martinez-Blasco, Garcia-Blandon & Argiles-Bosch (2012) who did a study in France, Germany, Japan and Spain about the informative content of AGM in civil law counties revealed that the AGM is not releasing any value relevant information in Japan, France, and Spain. They found that France reacts late to the shareholders meeting and Japan shows no kind of reaction within the event window. The researchers concluded that with exception of Japan and Spain, the investors of the remaining countries, independently of the legal origin, find the AGM informative and they review their portfolio according to the information released.

The rise of the CAAR curve from date 19 up to day zero implied that the period before the AGM announcement date was an indicator of anticipated good AGM information by investors who from past experience expect that AGM will offer positive bonus shares which is deemed as positive news, will be issued by the company during some given expected dates. As per past studies, there should be a direct relationship between positive and negative news events and the sign of the abnormal or abnormal returns whether positive or negative (Offenberg and Officer, 2010).

The continued increase in CAAR after the AGM information content indicated that the investors appeared to receive the AGM content as an opportunity to invest in the companies to gain in the future from their investment which is consistent with the signalling hypothesis (Copeland, 2005). However in stock markets that are regarded as efficient, the rise in the CAAR curve should stabilize on the date of the AGM event announcement rather than continue rising thereafter which occurs when there is an anomaly in the efficiency of a stock market with regard to the AGM information content that can lead to profit making opportunities for investors (Chuvakhin, 2011).

The study found that it is possible to make profits or abnormal returns from AGM information content in the NSE as the stock prices do not assimilate such information instantly but do so in a lagged manner. Nyamolo (2010) found that earning announcement for sample firm had no information content and if there was, the market model did capture them hence not an appropriate model for measuring information.

The findings of the study show that both the average abnormal returns and cumulative average abnormal returns are significantly different from zero. Njoroge (2003) examined the impact of rights issue announcements on share prices of companies listed at the NSE. She examined whether the average abnormal return surrounding the rights issue announcement was statistically different from zero. The result showed negative abnormal return prior to the announcement day of the rights issue and a moderate setback thereafter.

Nkonge (2010) conducted a study on the effects of stock splits on securities returns of companies listed at the NSE. The finding of the tests performed reveal that stock splits signal the market. The market interprets stock splits as good information as returns are observed to increase significantly around the time of Stock split announcement.

The study t-test results showed that average abnormal returns (AAR) and Cumulative average abnormal returns (CAAR) revealed a p-value of 0.000 at 95% confidence interval and that stock prices react to AGM announcement information content. Odumbe (2010) students to test for equality of event period and comparisons mean return before and after AGM announcement. The result of the study showed that the stock prices react

to AGM announcement information content. The researcher concluded that AGM announcement contained informational useful for valuing the stock.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the summary, conclusions and recommendations of the study according to the study objective. It also suggests areas for further research.

5.2 Summary of the Findings

The objective of the study was to assess AGM information content in the Nairobi Securities Exchange. The study employed descriptive research design using event study methodology which enabled the researcher to find an association between information released on the annual general meeting and stock returns. The target population consisted all 62 companies listed at the NSE. The study used secondary data from the Nairobi securities Exchange, Capital Markets Authority and Annual reports of the firm. The study followed the classical Brown and Warner (1985) event study's methodology that computes abnormal returns (AR) as the difference between actual and normal returns.

Actual return curve generally appears to be higher before the AGM announcement date than during the period after the announcement implying that the market was expecting the AGM announcement to have great positive news. On expected returns, expected return curve was generally high during the period before the event day or day 0 than it was during after the event day. This implied that the market expected good news during the AGM which explains the difference. The expected return curve did not reduce greatly which shows that the market was fairly in agreement with the information content during the AGM.

Normality test results as per table 4.1 revealed skewness of - 0.285, Kurtosis of 3.2 and Jarque-Bera of 0.609 which all indicated that the abnormal returns data is fairly normally distributed and subsequently the t-test a parametric test is relevant to the research. Normality of distribution also suggests that sample test results can be inferred to the population. The study found that there was a long left tail which for investors meant a greater chance of extremely negative outcomes. Kurtosis findings showed that the distribution had fatter tails and that there were lesser chances of extreme outcomes as compared to a normal distribution.

The rise of the CAAR curve from date – 19 up to day zero implied that the period before the AGM announcement date was an indicator of anticipated AGM information content by investors who from past experience expect that AGM information content which is deemed as positive news, will be issued by the company during some given expected dates. On the AGM announcement day 0 up to day 6, the CAAR curve dipped instead of increasing which indicated the earnings surprise phenomenon where investors may have realized that the AGM information content was not so attractive after all, contrary to what they initially anticipated hence the market correction.

The continued increase in CAAR after the AGM information content has been given indicated that the investors appeared to receive the information as an opportunity to invest in the companies to gain in the future from their investment. in stock markets that are regarded as efficient, the rise in the CAAR curve should stabilize on the date of the AGM event announcement rather than continue rising thereafter which occurs when there is an anomaly in the efficiency of a stock market with regard to the AGM information content that can lead to profit making opportunities for investors (Chuvakhin, 2011). The

CAAR curve continued to rise at a significant rate even after the date of AGM information content which indicates an anomaly in the efficiency of the NSE in the semi strong form with regard to AGM information by the listed companies.

The findings of the study show that both the average abnormal returns and cumulative average abnormal returns are significantly different from zero. Njoroge (2003) examined the impact of rights issue announcements on share prices of companies listed at the NSE. She examined whether the average abnormal return surrounding the rights issue announcement was statistically different from zero. The result showed negative abnormal return prior to the announcement day of the rights issue and a moderate setback thereafter.

5.3 Conclusions

The study concludes that the abnormal returns data is fairly normally distributed and subsequently the t-test a parametric test is relevant to the research. It concludes that the rise of the CAAR curve from date 19 up to day zero showed the period before the AGM announcement date was an indicator of anticipated good information content by investors who from past experience expect that the information at the AGM is positive news, will be issued by the company during some given expected dates.

The study concludes that the market overreacts in anticipation of the AGM announcement but corrects itself after the AGM news has been released which may not be as promising or profitable as initially expected. There is also an anomaly regarding the semi-strong form efficiency status of the NSE and it is possible for investors to profit on AGM information content of the listed companies as evidenced by the positive CAAR.

Actual return curve generally appeared to be higher before the AGM announcement date than during the period after the announcement. This implied that the market was expecting the AGM announcement to have great positive news. On expected returns, expected return curve was generally high during the period before the event day or day 0 than it was during after the event day. This implied that the market expected good news during the AGM which explains the difference. The expected return curve did not reduce greatly which shows that the market was fairly in agreement with the information content during the AGM.

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The findings of the study show that both the average abnormal returns and cumulative average abnormal returns are significantly different from zero. Njoroge (2003) examined the impact of rights issue announcements on share prices of companies listed at the NSE. She examined whether the average abnormal return surrounding the rights issue announcement was statistically different from zero. The result showed negative abnormal return prior to the announcement day of the rights issue and a moderate setback thereafter.

5.4 Recommendations

The study recommends that firms listed in NSE should provide AGM information regarding the activities and performance, so that investors can analyse the situation and invest their money in the best firm.

The study found that the market overreacts in anticipation of the AGM but corrects itself after the AGM which may not be as promising or profitable as initially expected. Therefore the study recommends that investors should not rely on the AGM information in order to invest but choose the right company and invest in any period of the year.

The study recommends that instead of focusing on single days we analyse longer period because market participants seem to be too optimistic about the information and company prospects to be realised during the AGM. This optimism would generate relatively high return as AGM approaches. Nevertheless after the AGM cumulative returns decrease because actual information and company prospects communicated during the meeting deceives expectation. It indicate an optimistic bias by market participants regarding AGM.

5.5 Limitations of the study

This research was carried out on Companies listed at NSE and therefore it might only be applicable to companies operating in Kenya. Therefore major limitation is that it may not be applicable to other countries due to cultural differences and operating environment.

The other weakness of the study is that it does not consider individual share price rather it considers market index. So investment strategy on the basis of the finding of this study in case of individual share may not provide expected result.

The other limitation was the period of the study. The study was limited to a period of 5 years. This period of study was too short to observe changes in variables overtime and some changes could not be observed.

Lastly financial constraints were the other limiting factor as the research become quite expensive exercise when gathering data.

5.6 Suggestion for Further Research

The study was limited to a period of 5 years from which means of AAT and CAAR were derived from for 40 event period (20 before AGM and 20 after the AGM). The period of study was too short to observe changes in variables overtime and some of changes could not be observed then. Further research need to be done with a longer period of study.

Although the results also suggest that markets are efficient and therefore lack of reaction on the information released during AGM, further research is needed, particularly focused on the explanation of returns behaviour around AGM dates.

Since the study was carried out on only companies listed at the NSE. Further research needs to be done that incorporates multinational organisation that have different operating environment.

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APPENDIX I: Listed companies at the NSE as at 31st December 2013

1	Eaagads Ltd
2	Kapchorua Tea Co. Ltd
3	Kakuzi
4	Limuru Tea Co. Ltd
5	Rea Vipingo Plantations Ltd
6	Sasini Ltd
7	Williamson Tea Kenya Ltd
8	Car and General (K) Ltd
9	CMC Holdings Ltd
10	Sameer Africa Ltd
11	Marshalls (E.A.) Ltd
12	Barclays Bank Ltd
13	CFC Stanbic Holdings Ltd
14	I&M Holdings Ltd
15	Diamond Trust Bank Kenya Ltd
16	Housing Finance Co Ltd
17	Kenya Commercial Bank Ltd
18	National Bank of Kenya Ltd
19	NIC Bank Ltd
20	Standard Chartered Bank Ltd
21	Equity Bank Ltd
22	The Co-operative Bank of Kenya Ltd
23	Express Ltd
24	Kenya Airways Ltd
25	Nation Media Group
26	Standard Group Ltd
27	TPS Eastern Africa (Serena) Ltd
28	Scangroup Ltd
29	Uchumi Supermarket Ltd
30	Hutchings Biemer Ltd
31	Longhorn Kenya Ltd
32	Athi River Mining
33	Bamburi Cement Ltd
34	Crown Berger Ltd
35	E.A.Cables Ltd
36	E.A.Portland Cement Ltd

37	KenolKobil Ltd
38	Total Kenya Ltd
39	KenGen Ltd
40	Kenya Power & Lighting Co Ltd
41	Umeme Ltd Ord
42	Jubilee Holdings Ltd
43	Pan Africa Insurance Holdings Ltd
44	Kenya Re-Insurance Corporation Ltd
45	Liberty Kenya Holdings Ltd
46	British-American Investments Company (Kenya) Ltd
47	CIC Insurance Group Ltd
48	Olympia Capital Holdings ltd
49	Centum Investment Co Ltd Ord
50	Trans-Century Ltd
51	Nairobi Securities Exchange Ltd
52	B.O.C Kenya Ltd
53	British American Tobacco Kenya Ltd
54	Carbacid Investments Ltd
55	East African Breweries Ltd
56	Mumias Sugar Co. Ltd
57	Unga Group Ltd
58	Eveready East Africa Ltd
59	Kenya Orchards Ltd
60	A.Baumann CO Ltd
61	Safaricom Ltd
62	Home Afrika Ltd

APPEDIX II: DATA

EVENT PERIOD	Actual Return	Expected Return	Abnormal return (AR)	AAR	CAAR
Day -20	34.566	15.223	19.343	0.484	0.484
DAY -19	30.806	13.104	17.702	0.443	0.926
DAY -18	38.525	15.224	23.301	0.583	1.509
DAY -17	38.779	14.517	24.262	0.607	2.115
DAY -16	32.494	12.518	19.977	0.499	2.615
DAY -15	22.420	20.518	1.902	0.048	2.662
DAY -14	24.554	23.518	1.036	0.026	2.688
DAY -13	32.587	22.518	10.069	0.252	2.940
DAY -12	30.256	21.519	8.737	0.218	3.158
DAY -11	21.010	13.519	7.491	0.187	3.345
DAY -10	18.119	11.519	6.600	0.165	3.510
DAY -9	20.956	12.519	8.437	0.211	3.721
DAY -8	24.688	15.520	9.169	0.229	3.951
DAY -7	22.773	11.520	11.253	0.281	4.232
DAY -6	32.594	13.520	19.073	0.477	4.709
DAY -5	22.071	10.520	11.550	0.289	4.998
DAY -4	27.461	13.521	13.940	0.348	5.346
DAY -3	29.476	12.521	16.955	0.424	5.770
DAY -2	29.884	13.521	16.362	0.409	6.179
DAY -1	34.360	11.521	22.839	0.571	6.750
DAY 0	29.934	10.522	19.412	0.485	7.235
DAY 1	29.947	17.522	12.425	0.311	7.546
DAY 2	9.661	13.522	-3.861	-0.097	7.449
DAY 3	11.061	12.522	-1.462	-0.037	7.413
DAY 4	1.921	13.523	-11.602	-0.290	7.123
DAY 5	14.891	16.523	-1.632	-0.041	7.082
DAY 6	27.116	15.523	11.593	0.290	7.372
DAY 7	17.140	12.524	4.616	0.115	7.487
DAY 8	23.202	17.524	5.678	0.142	7.629
DAY 9	16.354	10.524	5.830	0.146	7.775
DAY 10	17.606	11.524	6.082	0.152	7.927
DAY 11	21.082	13.525	7.557	0.189	8.116
DAY 12	21.204	11.525	9.679	0.242	8.358
DAY 13	23.554	18.525	5.029	0.126	8.484
DAY14	22.667	12.525	10.142	0.254	8.737
DAY 15	22.138	11.526	10.613	0.265	9.002
DAY 16	29.080	14.526	14.554	0.364	9.366
DAY 17	24.914	15.526	9.388	0.235	9.601
DAY18	15.849	12.526	3.323	0.083	9.684
DAY 19	21.560	13.527	8.033	0.201	9.885