

Role of Auditor's Report in Financial Decision Making

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Abstract: *This study examines the impact of auditor reports on financial decision-making among investors, creditors, and other stakeholder. Using a sample of 500 publically traded companies we investigate the relationship between the audit report quality, financial statement reliability, and decision making outcome. Lenders and investor use audit report and as part of their decision making process research as revealed that the audit report has a positive impact on investors decision making, implying that the lack of proper audit reports will result in poor investment judgement.*

Keywords: Audit opinion, decision making, financial information, value relevance, lending decisions