ABSTRACT

Normally, it is the practice of companies to publish forecasts of future prospects during mergers, acquisitions, and offer for sale or subscription using the prospectus. Since the forecasted results to some extent determine the actual reported performance of these companies (in terms of earnings per share and dividend per share), investors and shareholders could request that companies show one to three year forecasts in their annual reports. Despite the significance of profit forecast to investors, little or no attention has been paid to its reflection in the annual report of companies.

INTRODUCTION

The nineteenth century idea of conservatism does not have the support of forecasting. However, the main reason for forecasting is to choose the best alternative project, assess investments, likely prospects and set direction or benchmark for management. The Corporate Report (1975) advocated the publication of a statement of future prospects in the annual report. This statement was to show the likely future profit, future investment level, future employment, etc. It also assists users to evaluate the future prospects of the entity and assess managerial performance.

Although historical financial statements provide valuable information, they alone do not meet investor's needs in today's dynamic business environment. Potential investors want to know about the company's future prospects because they see the future
performance as more important than the past results. Therefore, given users’ needs and perception of future oriented information on company’s performance, the publication of financial forecasts in the reports have been advocated.

The prospectus which is used to invite the public during share subscription, or offer for sale, is one place forecasts are prominently displayed. In fact, the publication of the prospectus follows the advocacy of the Corporate Report, showing details through estimates, the predictive or approximate value of gross earnings, taxation, profit after taxation, proposed dividend etc of company’s future performance. Everyone including users of financial statements wants to know about the future. But, this is not always very possible and at times, depends on our predictive abilities.

The Corporate Report contends that “forecasts are projections rather than predictions. They do not so much predict the future as set out, in a logical and systematic manner, the future implications of past and present known facts adjusted by reference to estimate of likely future development. Such projections may be judged to have different degree of probability that they could be termed predictions”.

The main objections to the publication of forecast are that forecasts may be unable to attain a high and uniform standard of objectivity and truth, and may lack neutrality and comparability which is very vital to shareholders’ investment and disinvestment decisions. It is the certainty of uncertainty that makes entities unwilling to make public projections. There is fear that those less instructed will misunderstand the purpose and may be misled. Similarly, other objections are:

1. Forecasts are concerned with the future and therefore inherently uncertain and unless they are carefully presented, users may regard forecasts as presenting fact rather than best estimates.

2. Management will be judged by how well it has met its forecast and may be encouraged to lower its targets by publishing only conservative forecasts in which it knows are wholly attainable and to accept result which meet those forecasts.

3. The provisions of forecasts by enterprises suffering from financial difficulties may result in the withdrawal of support and thus precipitate an otherwise avoidable collapse.
Although, users value forecasts information very highly, the practice is for companies not to disclose such forecasts except under mandatory condition or statutory requirement like issue of shares to the public. Despite the importance of profit forecasts for investors, little attention has been paid so far to their publication, presentation and content. It is as a result of this that this paper is set out to examine:

1. The rationale and arguments surrounding the publication of forecast.
2. The predictive value and accuracy of models of financial forecasts.
3. Forecast reporting and legal provision of the prospectus.

The relevant questions that have been asked are: why should companies publish forecast considering the possible dangers of users manipulation and potential damage to them? What are the predictive abilities and internal capabilities of companies’ management to prepare forecast and their reliability? How should they be disclosed? How far into the future should forecast extend? Should it be made compulsory or voluntary for companies to publish forecast? Or how frequently should the forecast be updated in order to reflect reality and appropriately guide users in their investment decisions? Should the information of forecasts be presented as single estimate or range? Does the attestation of the published forecast by the reporting accountant make it more desirable and authentic? Is there any legal provision governing the issue of prospectus? And what is liability to management and/or reporting accountants/auditors on deceptive or misleading forecasts? Is publication of forecasts usually necessary?

1. THE RATIONALE AND ARGUMENTS SURROUNDING THE PUBLICATION OF FORECAST

According to Carmichael (1973), “Investors and financial advisers are showing increasing interest in corporate earnings forecast”. Inanja (1976) proposed the publication of forecasts of future dividend level and projected cashflow statements for a minimum of five years to help an investor identify the course of action which will yield the biggest net benefit to him. Investors need information to enable their choice of alternative investment in terms of expected dividend stream, possibilities for capital appreciation or capital gain, certainty that the flow of dividend will continue, as well as to know of possible loss of original capital through inflation and market risk etc. Investors use annual reports, forecast prepared by analysts, past and future budgets etc as basis for judging the prospects of investments.
Gonedes et al (1976) emphasized the benefits of forecasts disclosure, to eliminate the opportunities to exploit “inside information” and thereby leading to a more efficient allocation of resources. They argued that since all investors do not have equal access to material information, management forecasts reflect management expertise. Many studies on forecasting concluded that forecasts are indeed useful to stockholders since it helps in their investment decisions and management should see its publication as necessary and obligatory.

From the UK experience, forecasts are rarely published except in prospectus, circulars and during takeover bids. In Nigeria, schedule 15 and 16 and sections 548 to 574 of the Companies and Allied Matters Acts (1990) specify the mandatory provisions, contents and matters to be disclosed in the prospectus. In recent times, the issue or publication of the prospectus has become a common scene in Nigeria, following the banks’ recapitalization to the N25 billion benchmark by the Central Bank and the various offers for subscription and sale by most listed companies.

Company’s projection into the future could set a focus, standard, motivation or direction on where it is moving. Many factors such as environmental factors, the assumptions, accounting policies and bases upon which the forecast are formulated and the possibility of realization are very vital while taking into consideration company’s past and present performance. Hendrisen and Van Breda (2001) suggested that “it is necessary that the basic assumptions relating to economy and external factors be disclosed so that users of the forecasts can better evaluate its reliability”.

It is believed and argued that because managers have access to information by virtue of their positions, which are not available to outsiders, they will be motivated to use or at least disclose that information in the formulation and presentation of forecast to their advantages. While it is true that this possibility does exist, it is not certain that the publication of forecasts, which are innocently about or fraudulently, either withheld under the guise of business secret or are ignored because management held uncertain view about their likely impact.
Problems and Liability of Forecast Reporting

There are social costs associated with forecast. These include the marginal cost of forecast preparation, documenting and monitoring the behaviour of subordinates so as to comply with forecast disclosure rules and achievement, there are also great difficulties in forecasting because there is actually no true or actual forecast with which a reported forecast may be compared after or at the time of the report of forecast. However, the past or present performance is used to set estimate future performance or forecast.

The problems emanating from forecasts are due to both internal and external factors of the firm. The internal factors are:

1. The differing forecasting abilities of the management of different companies as determined by difference in the experience and skills of individual managers, peculiarities of the industry and the susceptibility of the firm to environmental changes.

2. The differing standards of ethics among management personnel. The external problems comprise the stability or predictability of the economic climate (the effect of business cycles) and uncertainty (of the market, technology, political and socio-cultural factors). While the use of forecast has the ability to deter management from dishonestly manipulating forecasts, it also presents the danger that some managers who failed to achieve their forecasts, either owing to the occurrence of events or factors over which they had no control or because the forecast were in the first place too ambitious, would be unfairly penalized. It is because of the liability or litigation connected with forecast that management is always reluctant and wants to tread on safer grounds by dis-committing itself from the publication of forecasts in their reports. Kay and Searfoss, (1989) put the reasons for reluctance to include:

   (1) Projections may convey an unwarranted impression of accuracy.
   (2) Projections are virtually certain to be outdated very quickly
   (3) Forecasts may be used by competitors to the detriment of the reporting entity.
   (4) Management may feel compelled to meet published forecasts to the point of making short term decisions that are not the shareholders best interest.
   (5) Failure of the enterprise to meet its projections could generate stockholders dissatisfaction and possible litigation.
The subjectivity and uncertainty beclouding the publication of forecasts could create room for large scale deception which would not be completely eliminated or controlled by legislation or professional sanctions, thereby leading to more problems for shareholder's investment and disinvestments decisions.

It is also contested that since forecasts tend to be simple extrapolation of current and past trends, they provide less help to investors in determining the turning points in the economy. It has also been found that management makes disclosures when there are "good news" and future prospects than when there are "bad news", (Penman, 1980), immuence of corporate failure, distress or liquidation or the company is facing going concern problems.

As a matter fact, as we have seen recently during mergers, consolidations, takeover, offer for subscription or sale of companies shares etc disclosure of forecasts in the prospectus of some years (1 to 3 years) into the future are displayed at least to rekindle confidence in the parties involved that the investment made is guaranteed to yield benefit to them.

**Duration and Revision of Forecasts**

Because of the uncertainty, forecasts should not be taken too long into the future at least between 1-2 years forecast in the prospectus. The implication of uncertainty is that the degree of accuracy or reliability of forecasts tends to decrease rapidly as the forecast extends farther into the future (say more than five years). Forecasts should be presented as a range rather than a single estimate since this projects better future performance of the company.

Management should as much as possible make frequent revision of forecast to reflect current realities due to the internal, external and environmental factors which affect the business operations during the period so that investors and users can be guided in their various investment and economic decisions. The public availability of management forecast increase prospects of further raising of capital from the stock market (that is increase their efficiency) if the companies had out-performed their last or previous forecasts because the investors and public usually have a favourable prediction of future performance re-occurring based on the initial forecasts publication.
Other Considerations for Investment Decision

Besides the forecasts and other contents of the prospectus, other weighty considerations that influence the decision to invest are:

1. The current position and future prospects of the company. A company sees to be viable, highly capitalized and enjoys a lot of public goodwill and is rated higher on the survival and success scale of operations.

2. Economic policy in the company.

3. Quality of human capital: this includes actual, potential management and staff and the ease to attract the best and highly motivated staff/employees.

4. Technological state and advances including vast interest and involvement in information technology.

5. Potentials of maintaining sustainable profit trends and the dividend paying stream.

6. Political climate and general economic and fiscal condition in the country.

7. Events after the issue of the prospectus.

8. Success potential affecting the bids, offer for subscription etc.

9. Diversification to gain specific or general economic advantages.

10. Script issue or capitalization involving internal fund.

11. Desire to acquire a company for reasons such as controlling interest, tax consideration, economic integration or other consideration.

12. Dilution of control in the company.

Report of the Reporting Accountants on Forecasts

There are arguments whether accountants should report on the forecasts prepared by management. It is expected that management accepts full responsibility for the forecasts and the assumption followed in the preparation. However, the reporting accountant’s statement is necessary to give credibility to the accuracy of the basic assumptions, contents of the prospectus and the calculations made by the directors.

Although, it is also argued that if accountants become involved in forecast preparation, it will affect their objectivity. The potential investors through their report are satisfied that the requirement of the regulating rules, ethics and laws including Generally Accepted Accounting Principles (GAAP) have been met. Hence, it gives much confidence to the potential investors because of his special knowledge and technical competence, to rely on the information provided by the forecasts in the prospectus in making investment decision.

Nevertheless, reliance on the reporting accountant report is influenced by:

1. The independence of the reporting accountant—whether he has been the auditor of
the company or has pecuniary interest/relationship with the company's board of directors etc.

(2) The competence, experience and professional standing, past track records of the reporting accountants in similar assignments project work or investment services.

(3) Whether the prospectus conforms with legal and statutory requirements and stock regulations and duly registered.

(4) Whether the basis of arriving at the net worth (value) is in conformity with GAAP and audit standard.

The reporting accountant must consider in relation to profit forecast, the company's accounting policies (its adoption, agreement, appropriateness and consistent application), calculations (arithmetic accuracy, based on reality and supported by cash flow forecasts) and the procedures adopted.

Profit forecast necessarily depends on subjective judgments and are, to a greater or lesser extent, according to the nature of the business. They are subject to numerous and substantial uncertainties not capable of confirmation or verification by the reporting accountant. Apart from the assumptions, other things which must hold to support authority of the forecast figures are:

(1) There will be no material change in the general political and economic climate that will adversely affect a company's operations.

(2) The company will not suffer any uninsured catastrophe or industrial disputes.

(3) Level of products supply from suppliers will continue to be sustained.

(4) Selling prices and unit mark up and margins are based on the current prices with no material changes in the years expected.

(5) The current demand for the company's products and its market share will be sustained with marginal increase in the expected year.

(6) Operating cost are assumed to adjust in line with changes in sales volumes and planned level of investment during the year or period of forecasts.

The reporting accountant will assume responsibility for the forecasts only when it can be ascertained that management had prepared the assumption with due care and consideration. He should be able to have sufficient evidence to support the forecasts and the methods in obtaining such evidence in order to place reliance on the forecasting system. The past forecasting success of the company and its directors. Bird (1973) contends that the value, shareholders and the investing public should attach published forecasts depends on the forecasting competence of directors.
In reviewing profit forecast, the reporting accountant should carry out the following:

1. Enquire into assumptions on which forecasts are based and be satisfied, they are realistic and adequately disclosed.
2. Review the interim or management accounts they are based on.
3. Enquire into average for the industry and relates to the company’s figure.
4. Review the budget procedures of the company.
5. Check figures for accuracy and consistency with accounting policies used in audited accounts.
6. Review the cut-off procedures and reliability of stock values and any material item included.
7. Ensure that available resources such as working capital are sufficient to achieve the forecast profit.
8. Consider the appropriateness of provision for contingencies or other unusual items.

Presentation And Prediction Of Cashflow Information

The cashflow information helps us to assess the liquidity, liability and financial flexibility of an enterprise. Hence, a company wants to generate sufficient cash, independent of profit, to take care of its expenditure and also depends less on external funding to service existing debts and obligations, finance investments and reward the investors with an acceptable dividend policy (Elliott and Elliott, 2004).

A forecasted cashflow showing projected revenue, expenses and profit can be prepared to show before hand a solvent and insolvent company, the various future commitments of the company and also used for predicting its future performance. Health and Rosefield (1987) remarked that solvency is a money or cash phenomenon and hence any information that provides insight into the amount, timing and certainty of a company’s future cash receipts and payments is useful in evaluating solvency.

In making prediction regarding future cashflows from operations, one should start with historical information classified according to the behavioural characteristics of the cashflow requirements. One difficulty in the use of historical data is that many cashflows are independent. For instance, in considering cashflow of dividend, references must be made to the past cashflows. Often, the past may provide a useful guidance to the future forecast of incurring some expenditures. Expectations of management in terms of plans and opportunities can also assist its predictions, estimations and judgement.
Predictive Value and Accuracy of Models in Financial Forecasting

According to the IASCF (1989):

"Information about financial position and past performance is frequently used as a basis for predicting future financial position and performance and other matters in which users are directly interested such as dividend, wage payment, security price movements and the ability of the enterprise to meet its commitment as they fall due."

It stated further that;

"to have predictive value, information need not be in the form of an explicit forecast... the ability to make predictions... is enhanced... by the manner in which information on past transactions and events is displayed."

The predictive ability concept has considerable potential for future development of relevant financial reporting and since only future objects and events are relevant for investor’s decisions, they must provide or permit prediction of future objects or events if they are to be relevant.

Some major obstacles to the predictive ability include: the lack of tested normative investors decision model with a sufficient description of the model inputs, lack of understanding between accounting data and relevant objects or events that may be inputs into decision model, the complexities of the business environment, the lack of understanding of the relationship between past and future measurements of objects and events and the inability to formulate normative or descriptive models. All these make the predictive ability a test of a difficult one. Direct predictive value involves provision of forecast by management like projected cash flows. There could be potential misuse and liability in the case of inaccurate forecast, constraining their use as a consequence.

Abdel-Khalik and Thompson (1977-1978) identify the following unanswered issues: “the relevance of forecasted data, the value of non accounting information in forecasting, the randomness of earnings time series, the cost of alternative forecasting procedures, and the respective motives of management and security analysts in making forecasts”.

Riahi-Belkaoui (2000) says that “earnings forecasts are becoming increasing popu-
lar and important to an efficient functioning of capital market” and they are assumed to be particularly useful to users of accounting information”. These forecasts could be provided by management, analysts or statistical model.

However, one thing of vital interest is their predictive accuracy. Riahi-Belkaoui reiterated that the relevance of these forecasts rests to a great extent on their reasonable accuracy; the investors in particular and the capital market in general would have no confidence in accurate earnings forecasts, and consequently would not utilize them.

There have been disagreements as to which earnings forecast (by analysts, management or statistical models) is superior and the extent of their predictive accuracy.

Armstrong (1978) came out with these conclusions in situations involving large changes:

1. Casual methods provide more accurate forecasts than naïve methods.
2. Objective methods provide more accurate forecasts than subjective methods.
3. Independent (unbiased) experts are more accurate than those involved in the situation.
4. Amalgamated forecasts are more accurate than the typical error for the component of the amalgamated forecasts.

Armstrong (1983) found out that when comparison was made about the accuracy of management and analysts forecasts, that management forecast was superior due to (1) managers sometimes have inside information (2) managers exert control over performance (3) managers can influence the reported earnings (4) managers have more recent information. Judgment forecasts was also found to be superior to extrapolative forecasts.

Richards and Fraser (1978) concluded that there was no difference in accuracy between analysts and managers forecast. Roland (1978) also found that management’s superiority over analysts decreased after the release of interim report. Similarly, Crichfield et al (1978) found that later in the year that analysts made forecasts, the better the forecast.

The choice of techniques may be mechanical or non mechanical and univariate or multivariate. Mechanical univariate forecasting approaches involves moving average models and Box Jenkins model. Mechanical multivariate forecasting models include regression models, Box Jenkins models include function models and econometric models. Non-mechanical models include univariate model such as visual extrapolation and multivariate models dispersion or bias.

The forecast can be evaluated in terms of dispersion or bias. Dispersion is
measured by the mean square error (MSE) as follows:

\[ \text{MSE} = \frac{1}{n} \sum (\hat{y}_n - y_n)^2 \]

Where:
- \( \hat{y}_n \) = actual value of variables in period t for firms
- \( y_n \) = forecasted value of variable in period t for firms
- \( n \) = number of forecasted values examined.

Bias is measured by the expected value of the error (EVE).

\[ \text{EVE} = \frac{1}{n} \sum (\hat{y}_n - y_n) \]

Albrecht et al (1977) found the martingale model to be equal in accuracy to firm specific Box Jenkins model. Brown and Rozef (1979) found that interim report led to improvement in accuracy of forecast.

It is suggested that the importance or consideration is not the accuracy of management forecasts’ themselves but rather the accuracy of users prediction with or without the availability of forecast.

Below is the table of forecast and actual results of three commercial banks in Nigeria.

<table>
<thead>
<tr>
<th>Zenith Bank</th>
<th>Diamond Bank</th>
<th>United Bank for Africa (UBA)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Forecast 2005</strong></td>
<td><strong>Actual 2005</strong></td>
<td><strong>Forecast 2005</strong></td>
</tr>
<tr>
<td>₦ 7820,679</td>
<td>₦ 9,164,787</td>
<td>₦ 3,533,780</td>
</tr>
<tr>
<td>Profit before tax</td>
<td></td>
<td></td>
</tr>
<tr>
<td>₦ 1,347,499</td>
<td>₦ 2008,861</td>
<td>₦ 706,756</td>
</tr>
<tr>
<td>Taxation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>₦ 6,473,645</td>
<td>₦ 7,155,926</td>
<td>₦ 2,827,024</td>
</tr>
<tr>
<td>Profit after tax</td>
<td></td>
<td></td>
</tr>
<tr>
<td>₦ 3450,636</td>
<td>₦ 4,200,000</td>
<td>₦ 424,054</td>
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<tr>
<td>Proposed Dividend</td>
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<td></td>
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<tr>
<td>₦ 159k</td>
<td>₦ 136k</td>
<td>₦ 50k</td>
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<tr>
<td>Earnings per share</td>
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<td></td>
</tr>
<tr>
<td>₦ 70k</td>
<td>₦ 70k</td>
<td>₦ 0k</td>
</tr>
<tr>
<td>Dividend per share</td>
<td></td>
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</tbody>
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*Scheme of Mergers between UBA and Standard Trust Bank.
3. **FORECAST REPORTING AND THE LEGAL PROVISION OF THE PROSPECTUS**

A forecast need not be expressed in numerical term. For example, profit will be greater than last year. A forecast made in advance of completion of financial statements for a period expired could be referred to as an estimate. A profit forecast may encompass published but unaudited profit figure.

The role of and intervention of government through the power of legislation and professional bodies is necessary if forecasts are to achieve a high degree of reliability, objectivity, comparability and neutrality.

Since profit forecast being part of financial statements is included in the prospectus, it is imperative to throw light on the legal provisions of the prospectus.

A prospectus is any notice, circular, advertisement or other motivation offering any shares or debentures of a company or an enterprise for sale or subscription. By virtue of section 550(1) of CAMA 1990. It is used to invite the public to subscribe for shares. The prospectus must conform with legal and statutory requirements and should be duly registered with the Security and Exchange Commission (SEC). The usefulness of the prospectus include:

1. It enables the investors to know the past history and detailed background of the company.
2. Operational performance and dividend payout are easily revealed.
3. The potential investors will have knowledge about the future prospects and dividend forecasts at least two years ahead.
4. It facilitates making decision in the industry within which the company operates.
5. Integrity and capabilities of management and other parties concerned with the issuance are easily identified.
6. Technical advantages and other useful but exclusive information on the company that can be obtained.

The provisions of CAMA (1990) relating to prospectus is set out in section 548 to 574 and schedule 15 and 16.

Section 554(1) of CAMA, 1990 states:

"...it shall not be lawful to issue any form of application for securities in a public company unless the form is issued with a prospectus..."

However, the provision of a prospectus shall not apply to existing members of a company or previously issued shares (section 551, 1 & 2).
Section 562(1) deals with liability in respect of the issue of prospectus. It states:

"... where a prospectus invites persons to subscribe for shares in a company, the following persons shall be liable to pay compensation to all persons who subscribed for shares or debentures on the faith of the prospectus for the loss or damage they may sustain by reason of any untrue statement included in it, that is to say every person:

(a) Who is a director of the company at the time of the issue of the prospectus.
(b) Who has authorized himself to be named and is named in the prospectus as a director or as having agreed to become a director either immediately or after interval of time.
(c) Being a promoter of the company
(d) Who has authorized the issue of the prospectus".

Section 562(2) confirmed lists of person not entitled to liability. For instance, directors who withdraw their consent before the prospectus was issued, and if the prospectus was issued without their consent or knowledge or those that gave reasonable public notice of the withdrawal of their consent or knowledge before and after issue of prospectus, or before allotment or on becoming aware of any untrue statements. As regards untrue statements, if it can be believed that statement made by an expert, if it fairly represented the copy or extracted statements or was a correct and fair copy of the report or valuation. Similarly, if the statements made by an official person was a copy of a public official documents and that was a correct and fair representation of the statement.

The power of the shareholders to bring action against a company for rescission is rekindled in section 571 as:

"A shareholder may bring an action against a company which has allotted shares under a prospectus, for the rescission of all allotment and the repayment to the holders of the shares of the whole or part of the issue price which have been paid in respects of them if either the prospectus.

(a) "Contained a material statement, promise or forecast which was false, deceptive or misleading or"
(b) did not contain a statement, report required to be contained in it by section 550 and schedule 15.

Schedule 15 deals with the mandatory contents of prospectus. Parts I refers to the matters to be stated. This includes:

1. The company's proprietorship, management and its capital requirement: number of management shares, nature and extent of holder’s interest, names, descriptions and addresses of the directors and proposed directors.

2. Where shares are issued for public subscription, the minimum subscriptions to be raised preliminary expenses, working capital etc.

3. Details relating to the offer price of subscription, amount payable or shares, exercisable periods, subsequent issue of shares etc.

4. Property required to be acquired by the company: the names and addresses of the vendor, contracts, amount payable in cash, shareholders or debentures.

5. Commission, preliminary expenses etc: the amount or estimated amount paid or payable.

6. Contracts: date and general nature of material contract.

7. Auditors: name and address of the company's auditors (if any).

8. Interest of directors: nature and extent of interest.

9. Other matters: different classes of shares and voting rights and history of the company.

Part II is where auditor and accountant report are set out in the prospectus. The prospectus shall set out a report by the company's auditors to include: Profits and losses, assets and liabilities, rate of dividend (if any) paid by the company immediately preceding the issue of the prospectus, showing the classes of shares. The accountant report, in addition to the above, shall: “indicate how the profits and losses of the other body corporate have concerned to members of the company.

CONCLUSION

In this paper, attempt has been made to consider the publication of financial forecasts, predict accuracy of models used for financial forecasting and the implication for users. It was found that investors can benefit and be guided in their investment decisions if forecasts were published by management or analysts using the appropriate techniques. Despite the seemingly pessimistic view of some accountants which is due to inherent liabilities and litigations arising from the uncertainty and other problems of forecasting like when users are misled or misunderstood the forecasts statement, management can present forecasts as a range. Companies should also show 1 to 3 year forecasts in their annual reports since this is a major determinant of their actual reported performance.
REFERENCES


