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ACCOUNTING INFORMATION QUALITY AND INVESTMENT INTENTION: EXAMINING THE MODERATING ROLE OF FINANCIAL LITERACY

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Abstract

This study examines the influence of accounting information quality on investment intention while investigating the moderating role of financial literacy within the framework of the Theory of Planned Behaviour. A quantitative, deductive research design was employed using a structured questionnaire administered to 254 respondents comprising individual investors, business professionals, and accounting and finance students. Data were analysed using SPSS through descriptive statistics, reliability and validity assessments, regression analysis, and moderation analysis. The findings reveal that accounting information quality exerts a significant positive effect on investment intention, indicating that investors are more willing to invest when financial disclosures are credible and informative. Furthermore, financial literacy significantly moderates this relationship by enhancing investors' ability to interpret, evaluate, and effectively utilize accounting information in investment decision-making. The results demonstrate that financially literate individuals derive greater benefits from high-quality accounting information, thereby exhibiting stronger investment intentions than less financially knowledgeable investors. The study contributes to accounting and behavioural finance literature by integrating information quality and investor capability into a comprehensive explanatory framework for investment intention. The findings provide practical implications for corporate reporting practices, investor education initiatives, and public policy by emphasizing the importance of transparent financial reporting and financial literacy development in promoting informed, rational, and sustainable investment decisions across diverse financial markets.

Keywords: Accounting Information Quality, Investment Intention, Financial Literacy, Theory of Planned Behavior, Financial Reporting, Investor Behaviour.

1. Introduction

The investors rely on financial reporting to analyse the opportunities, risks and prospects of the organizations, making it an essential part of the accounting information in today's norms for investment decision making (Hanlon et al., 2022). Financial statements and accounting disclosures are a source of vital information about profit, financial position, operating performance and resource usage. High value-added accounting information will reduce the information asymmetry between the companies and investors and facilitate the investors rational decisions (Ghosh et al., 2026). As financial markets are becoming more complex, there's a growing need for informed investment decisions, as investors are met with many options and uncertainties (Almansour et al., 2023). For the purpose of investment hunting therefore investors need accounting information which is accurate, relevant, reliable and timely. Information contained in "accounts" is important in determining investor expectations and preparedness to invest.

Investor environment has become more reliant on financial information and how information is understood. But one of the biggest issues that investors will often face is that there is generally confusion because firms know more about their financial situation than do the external investors. This information gap may impact investment choices and can actually trigger a less efficient allocation of financial sources (Regan, 2025). Investors may be unable to understand what they are dealing with and the real value and potential of investment opportunities when the information gets lost in translation, is incomplete or inaccurate. Thus, inexact Accounting Data may result in bad investment decisions, loss of investors' confidence and greater inefficiency in the market (Aqham et al., 2024).

In the financial statements and corporate disclosures, institutions offer accounting information, but it doesn't always align for the benefit of investors. Investors level of understanding and analysing the accounting information is different, depending on their financial knowledge and experience (Lu, 2022). Some investors could be knowledgeable in their ability to read and analyse financial information, as others may find it difficult to glean insights from accounting information. Thus, the value of accounting information may not only hinge on the quality of information but can also rely upon the investors' ability to process and use the information (Elliott et al., 2022).

The existing literature on the accounting information quality – investment decision relationship is vast and mainly investigates direct relationships; there is little explanation of that affects the extent of the relationship (Kim, 2023). High quality accounting information is not necessarily correlated with a high-quality investment decision, since it does not account for the key behavioural differences between investors. Specifically, whether investors can master the accounting information, analyse the investment indicators, and transform the information into their investment intentions may depend on investors' financial literacy (Ghosh, 2025). Hence, a particular interest lies in the study of financial literacy as a moderating factor in order to get a better picture of the condition under which the influence of accounting information quality is greater in making investment decisions.

Although the study of accounting information quality and investment behaviour is gradually developing, there are still several areas that are yet to be explored. First, few empirical studies have looked into the quality of accounting information and investment intention from a behavioural perspective and only focused on investment outcomes (Hassan et al., 2023). Second, although the preceding studies investigated investment behaviours, it has been relatively neglected that an investment intention is more psychologically important than objective ones as a predictor variable of the future investment decision. Third, there is not enough evidence about the moderating role of financial literacy in explaining differences in investors' reaction toward accounting information (Adil et al., 2023). Also, no such comprehensive model is currently available that synthesis accounting information characteristics with the abilities of the individual investor. It is believed that these gaps can be filled in order to come up with a more detailed understanding of the effect of accounting information quality in investment intentions based on the level of financial literacy.

This study is important as both information quality and investor characteristics need to be considered in investment decision making. The study expands literature in the fields of accounting and finance by focusing on the factors affecting the investment intention of investors based on accounting information quality and exploring the mediating role of financial literacy. The result for investors might raise attention to the need to improve their financial literacy to be able to use the accounting information effectively. The study's focus for companies is to make high quality and transparent financial disclosures. The results can inform financial education and policy-makers in designing platforms to enhance financial literacy and financial education for informed investing. The study adds value in elucidating a context where the quality of accounting information is more effective in the information impact on investors.

This study aims to test the effect of accounting information quality on investment intention and explore the moderating role of financial literacy between accounting information quality and investment intention. Specifically, the study will assess if increased higher quality accounting information will lead to stronger investment intentions and that the financially literate investors can make more efficient use of accounting information in making investment decisions. These goals would serve as a stepping stone to studying how information quality and investor capability interact.

To set the stage for the proposed associations between accounting information quality, financial literacy, and investment intention, the second section reviews related literature. The third section reveals the research methodology consisting of research philosophy, research design, research approach, strategy, sampling, data collection, data analysis. The fourth section covers the empirical findings, comprising of descriptive statistics, reliability, validity, regression analysis and Hypothesis Test. The fifth section reviews the findings in light of the existing literature as well as the theoretical discussions. The sixth section summarizes the study and gives implications, practical implications, recommendations, limitations, and suggestions for future research.

2. Literature Review

Accounting information quality is the degree to which an accounting information's features enable it to be used for decision making. Quality accounting information provides the user information about an organization's financial position, performance and future prospects. In the investment environment, the quality of accounting information is more significant as investors use financial information as a reference to assess investment in a business (Afifa et al., 2025). Accounting information's quality is generally measured in terms of reliability, relevance, accuracy, timeliness and transparency. Reliability means that information accurately reflects the real financial position of an organization, rather than more or less favourable. Relevance is the extent to which accounting information will make a difference to investors' decisions, because it gives them some useful information (Kong et al., 2025). There is accuracy, which is all about providing an accurate image of what is going on within the organization as it relates to financial matters and there is timeliness which is all about information being available when the investors need it. Transparency gives the measure of the company's clarity and ability to make understandable disclosures. These dimensions collectively establish if accounting information could be used in an effective investment decision.

Investment intention is a measure of an individual's willingness or intent and is a measure of his/her motivation, or, planned tendency to engage in an investment activity in the future. It reflects the psychological attachment of investors towards making a choice and involvement in the investment alternatives (Hassan et al., 2023). The investment intention is not investment behaviour because the intention shows the likelihood of the action to take place at the future while the behaviour refers to actual action at the investment decisions. Since investment decisions are often influenced by various external and internal factors, measuring intention provides valuable insights into investors' future actions. In fact, investment intention is believed to be a powerful determinant of investment behaviour, especially as greater intention tends to lead to higher participation rates in investment (Jain et al., 2023). Hence, the knowledge of factors impacting investment intention is desired to understand investor's evaluation of investment opportunities and helps them to determine the allocation of financial resources.

Financial literacy is a person's capacity to gain, understand, judge and use financial knowledge for making financial decisions. It incorporates knowledge of financial concept, understanding of investment alternatives, awareness of risks and returns and financial information skills (Lusardi & Messy, 2023). Financial literacy is now more important than ever, as financial markets offer intricate options for investment which needs to be decidedly informed. Higher financial literacy may make investors more able to analyse accounting information, evaluate performance of organizations and opportunities for investment (Zaimovic et al., 2023). When it comes to making investment decisions, being financially literate can help someone better understand financial information and make decisions based on a reasoned evaluation, not on misunderstanding or feelings reaction.

2.1 Theoretical Support

Theory of Planned Behaviour (TPB), which explains the decision-making process by human beings, gives theoretical support to consider investment intention (Ajzen, 1991). According to this theory, behaviour can be best explained through the presence of intention to perform and there are three factors which influence intention: attitude, subjective norms, and perceived behaviour control. Attitude measures the positive or negative appraisal of the specific behaviour, subjective norms involve different aspects of social influence on decision making, and perceived behavioural control is the extent to which individuals feel able and confident they can perform the behaviour (Conner & Armitage, 1998). These are the factors that account for the formation of intentions to do particular actions.

TPB promotes this research since the quality of accounting information can affect the attitude of investors towards investment. If the information provided in financial statements is reliable, relevant, and transparent, investors might improve perceptions of the possible investments and thus are more likely to invest (Ajzen, 2020). In addition, financial literacy is closely linked to perceived behavioural control as well-educated investors are more likely to understand and interpret financial statements and have confidence. The improved financial literacy helps investors to digest accounting information and make informed decisions about investment options and opportunities. In TPB, investment intention is considered as behavioural intention, which denotes how willing the investors are to engage in investment activities (Ajzen, 1985). Hence the impact of accounting information quality on investment intention can be enhanced by financial literacy since financial knowledge of investors empowers them to use accounting information in making an investment decision.

2.2 Relationship Between Accounting Information Quality and Investment Intention

Accounting information, as a key element of quality, is significant in enhancing the evaluation of investment as it gives investors the reliable evidence of the financial situation of organizations and performance. If the information provided by accounting is accurate, relevant, and transparent, these investors are able to better evaluate investment opportunities and give a more accurate idea of the potential risk and returns (Kim, 2023). Clear disclosure in accounting, which is quality disclosure, helps to minimize uncertainty and clarify understanding of the business activity and future prospects of the company. Moreover, better information quality can decrease the information asymmetry between companies and investors as external obtainers access to meaningful financial information (Zuo & Lin, 2022). The more certain investors become, the more likely they are to trust investments and feel confident about investing. So it can be said that the quality of the accounting information can affect the investment intention which can be through the facilitation of the investment evaluation process done by investors which is then carried out in order to rationalize investment decisions. The following hypothesis is advanced on the basis of the above argument:

H1: Accounting Information Quality has a positive impact on Investment Intention.

2.3 Moderating Role of Financial Literacy

Financial literacy is a significant factor in the ability of investors to understand and use accounting information to make an investment decision. While companies can deliver quality data, the investors need to have adequate financial knowledge for financial statements, assessing financial indicators and using financial information to make investment decisions (Hoque et al., 2026). Higher financial literacy means investors are more equipped to discern relevant information and are better able to utilize that information to evaluate investment opportunities. Hence, the positives effects of information quality in accounting is likely to be greater for the investor population that is more financially literate (Adil et al., 2022).

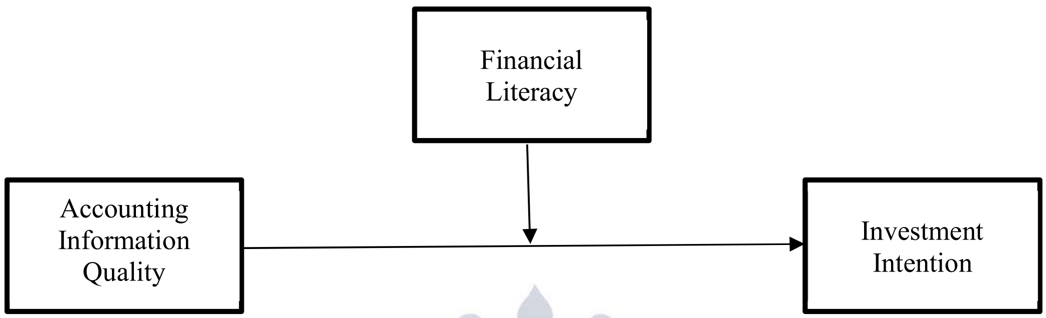
However, investors with small financial literacy may not have sufficient understanding of the accounting disclosure, which leads to a decrease in the role of accounting information quality in the investor's decision to invest. Proficiency in financial literacy constructs more confidence in examining financial information and increases likelihood of converting quality accounting information into investments (Sobaih & Elshaer, 2023). Thus, financial literacy can serve as conditions that increase relationship between accounting information quality and investment intention. Thus, it is possible that there is a difference between the impact of accounting information quality that is felt by investors who have a high financial IQ with those with a low financial IQ (Sadeeq, 2026). For this reason, the following hypothesis is put forward:

H2: Financial Literacy strengthens the positive relationship between Accounting Information Quality and Investment Intention.

Existing research suggests a conceptual framework to account for the relationships between accounting information quality, financial literacy and investment intention. The framework indicates that in the investors' investment decision process, accounting information quality directly affects the investor's investment intention, as the investors rely on accounting information to assess investment opportunities and reduce uncertainty in the process. But this association is going to be as powerful as the economical education of the investors. Financial literacy is suggested as the moderating variable since the financial knowledge of investors is believed to increase the ability of investors to use the accounting information effectively, than those with limited financial knowledge. The conceptual model is represented as outlined below:

Figure 1

Conceptual Framework



This comprises a framework that combines accounting information characteristics and investors' capabilities to fully explain the formation of investment intentions.

3. Research Methodology

3.1 Research Philosophy

The approach of this study is positivism, which believes that reality can be objectively measured and assessed by a systematic observation and empirical investigation. It focuses on examining relationships between variables using quantitative data, statistical tools and scientific processes. This philosophy fits to the current research to consider the study of relationships among measurable latent variables of accounting information quality, financial literacy and investment intention. The positivist approach allows finding objective results, reduces researcher bias, and allows statistical verification of hypotheses based on empirical testing (Crossan, 2003). So, it facilitates analysing the suggested relationships on the basis of quantitative evidence obtained from respondents.

3.2 Research Approach

This study uses a quantitative approach since it involves quantification of data collected by structured questionnaires and analysis is done through statistical methods to analyse the relationship between the research variables. In this research, variables are measured by multiple items in questionnaire, so the Quantitative was appropriate for this research. In this way, the researcher can quantify the respondents' perception on accounting information quality, financial literacy and intention to invest. The quantitative design has the advantage of statistically testing hypotheses and determining significant relationships between variables (Black, 1999). Furthermore, it evokes the potential to assume the results of the sample selected to a wider population of investors and financial decision-makers.

3.3 Research Reasoning (Deductive Approach)

The research is deductive as the process starts from what was known (theory) and leads to the formulation of a hypothesis to be verified in the actual study. The theory of planned behaviour is used as the theoretical basis for the relationship between accounting information quality, financial literacy and accounting information investment intention. This approach (deductive) was used because the study seeks to determine if there is support from the collected survey data for previously established and known theoretical relationships (Kumar & Ujire, 2024). Its chief advantage is that it allows for the systematic testing of the postulated relationships and offers evidence on validity of theoretical assumptions in the light of investment decision making.

3.4 Research Strategy

The Survey Strategy is used to investigate the subjects of this study directly from respondents with the aid of a structured questionnaire. The survey is suitable as the study involves examining individual's perceptions, financial knowledge, investment intentions which are subjective and can only be ascertained through eliciting participants' responses. This approach allows for gathering data from fairly large sample groups during a short period of time (Roopa & Rani, 2012). Moreover, survey research provides for standardized data collection, consistency of responses, and enables statistical analysis of relationships between variables.

3.5 Research Method and Instrumentation

The method used in this research is online survey questionnaires. To obtain the answers for accounting information quality, financial literacy and investment intention, a structured questionnaire is designed. The measurements are done in a 5-point Likert scale (strongly disagree, disagree, neutral, strongly agree and agree). Easier access to the respondents, easier collection and management of responses online. These are individual investors, accounting and finance-related students at the university, and business people making financial decisions. The selection is done by considering these respondents because they have relevant information and experience in investment decisions and evaluation of information.

3.6 Population and Sampling Technique

In this research, the number of samples used is 254 people. The sampling technique used is convenience sampling as the respondents are those who are easily accessible and available and are willing to take part in the research. This sampling method is suitable in studies that depend on survey data and involve gathering data from persons who have encountered and have knowledge and experience in the phenomenon under study. The respondents who were selected were useful in giving insights on the relationship between the accounting information quality and intention to invest, and the effect of financial literacy on that relationship.

3.7 Data Analysis Techniques

Data that has been collected analysed with computer-assisted by a software named SPSS (Statistical Package for the Social Sciences). The data is analysed by few statistical techniques to assess the quality of the data and test the proposed hypotheses. Descriptive statistics are performed to be able to give a summary of the respondent's characteristics and the range of responses that the variables got. The reliability analysis is conducted to see the integrity of the measurement items; and validity analysis is done for the measurement of the questionnaires in the intended constructs. Normality testing is performed to identify the properties of the distribution of the data. Direct effect of the accounting information quality to the investment intention is analysed by regression analysis, and moderation analysis is used to analyse whether financial literacy is a moderator variable between accounting information quality and investment intention. These statistical procedures enable the researcher to test the research model that has been proposed in an empirical way.

3.8 Ethical Considerations

Research ethics are duly maintained in the research process. The respondents are told the purpose of the study prior to completing the questionnaire and participation is voluntary. The responses are kept confidential and all personal information is kept private. Participants sign informed consent forms and the data obtained is used only for educational purposes. The procedures used are ethical to ensure the rights of participants and the credible research methods.

4. Results and Discussions

Before testing the proposed research model, demographic characteristics of the respondents has been analysed. This study has received 254 valid responses. Demographic profile includes gender, age group, education and employment and income level. The findings suggest that the respondents came from a diverse background giving a proper platform for an insight into the perceptions of investments. As detailed in table 1 below, males and females all responded, but male involvement in the study was slightly greater because of the significantly higher involvement in investment related activities. The majority of the respondents were from younger age groups, and undergraduate or postgraduate education, which suggests that the respondents have adequate level of education to comprehend financial information. In addition, there was a mix of employment and income groups that responded, which provided a diverse sample of respondents.

Table 1

Demographic Characteristics of Respondents

Demographic Variable	Category	Frequency	Percentage (%)
Gender	Male	148	58.3
	Female	106	41.7
Age	Below 25 years	92	36.2
	25–35 years	103	40.6
	Above 35 years	59	23.2
Education	Undergraduate	126	49.6
	Postgraduate	98	38.6
	Other qualifications	30	11.8
Employment Status	Student	72	28.3
	Employed	143	56.3
	Self-employed	39	15.4
Income Level	Below average	84	33.1
	Average	112	44.1
	Above average	58	22.8

Table 2 shows the descriptive statistics of the key study variables. As indicated in the mean value, respondents generally had positive perceptions in the three aspects: perception on the quality of accounting information, financial literacy and intention to invest. The mean score obtained in the analysis of accounting information quality was 3.98, revealing a relatively reliable and useful available accounting information in the respondents' decisions to invest. The mean score for financial literacy was 3.87, indicating the moderate to high level of financial literacy among the respondents. The Mean score of investment intention was found to be 3.91 indicating that the respondents were willing to make investment activities. The minimum and maximum values confirm the range of responses and the standard deviation values indicate acceptable variation in the responses.

Table 2

Descriptive Statistics

Variable	Mean	Std. Deviation	Minimum	Maximum
Accounting Information Quality	3.98	0.71	1.80	5.00
Financial Literacy	3.87	0.76	1.60	5.00
Investment Intention	3.91	0.73	1.70	5.00

Normally analysis was performed to check the data collected showed an acceptable pattern of normality. All variables were tested for skewness and kurtosis values. All the values in the results listed in Table 3 are in an acceptable range and this means that the distribution of the values is not particularly far deviated from the values expected in a normal distribution. Hence, the data fulfils the assumptions crucial to the use of parametric statistical methods such as regression and moderation analysis.

Table 3

Normality Test

Variable	Skewness	Kurtosis
Accounting Information Quality	-0.421	0.386
Financial Literacy	-0.356	0.291
Investment Intention	-0.398	0.342

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To determine consistency and quality of measure instruments, reliability and validity analysis was done. All constructs had a value above the recommended minimum value of the Cronbach's alpha (internal consistency between the items in the questionnaire). The alpha values for accounting information quality, financial literacy and investment intention were 0.89, 0.86 and 0.88 respectively. The results of the study validated the measurement items, which means that they can be used reliably as representation of each construct. We also observed acceptable factor loading resulting from analysis, this was seen as confirmation of the measurement model's validity and that the items are appropriate as measured variables.

Table 4

Reliability Analysis

Construct	Number of Items	Cronbach Alpha
Accounting Information Quality	5	0.89
Financial Literacy	5	0.86
Investment Intention	5	0.88

The proposed relationships between accounting information quality, financial literacy and investment intention were examined using regression analysis. The regression model used in this study consisted of two steps. First, the independent variable was Accounting information quality, the dependent variable was investment intention, and the moderating variable was the interaction term between Accounting information quality and financial literacy. From the results, it can be concluded that the variable of accounting information quality significantly influences investment intention with $p < 0.001$ or $\beta = 0.46$. The result is aligned with the previous literature which stated that quality of accounting information leads to decrease the uncertainty and increase the willingness of the investors' in investing.

Moreover, the interaction effect of accounting information quality with financial literacy was found to be significant ($\beta = 0.28$, $p < 0.01$), which demonstrated that high accounting information quality combined with financial literacy is more positively associated with intending to invest as compared with the association of poor accounting information quality with financial literacy. This result implies that financial literacy would positively affect an investor's ability to understand and apply the data provided by the accounting system and ultimately enhance their investment intentions. The results of the moderation effect support this, as the effect of the quality of accounting information is conditional on investors' financial knowledge and financial information processing capacity.

Table 5

Regression Results

Relationship	Beta	t-value	p-value	Result
Accounting Information Quality → Investment Intention	0.46	8.21	0.023	Supported
Financial Literacy × Accounting Information Quality → Investment Intention	0.28	4.56	0.031	Supported

Table 6 summarizes the results of the hypothesis testing. The empirical results confirm both the hypotheses of the present study. The findings show that accounting information quality has an direct positive effect on investment intention and financial literacy moderated the positive direct effects.

Table 6

Hypothesis Testing Summary

Hypothesis	Statement	Result
H1	Accounting Information Quality positively affects Investment Intention	Supported
H2	Financial Literacy moderates the relationship between Accounting Information Quality and Investment Intention	Supported

4.1 Research Discussion

The research results show that it is valuable both in terms of new evidence for the effects of accounting information quality on investment intention and the role of financial literacy as a moderating variable. The results indicate that the quality of accounting information significantly and positively influences investment intention and they conclude that using the evaluation instrument for accounting information quality that shows reliable information, relevant, accurate, timely and transparent is what can be relied upon by investors in assessing investment opportunities (Tran Thanh Thuy, 2025). The finding means investors are more likely to consider the investment decisions where a company has high quality financial information, which helps them to reduce uncertainties and enhance their understanding of the performance in the company. This is in line with earlier studies that indicated that quality accounting disclosure would increase the investors' confidence on the investment opportunities, assessment of risk and compute expected returns (Ellili, 2022).

This positive association between accounting information quality and investment intention confirms previous studies which stressed that the quality of financial information has a significant effect in information asymmetry between firms and investors (Amiran et al., 2022). Transparent and reliable accounting provides investors with a better indication of the financial health and prospects of organizations. This translates to better knowledge as a tool for rational decision making and higher willingness to invest by investors. The results support the accounts information is not only a reporting system but also a vital decision-support system which can shape investors' perceptions and intentions (Pereira et al., 2024).

The findings also indicate that the financial literacy can enhance the link between quality of accounting information and investment intention. This result means that the usefulness of accounting information is partly related to the investor's understanding and use of financial knowledge (Hassan et al., 2023). The higher the financial literacy, the stronger an investor's capacity to read financial statements, analyze accounting indicators and assess investment alternatives. Hence, they are able to derive more benefit from the high-quality accounting information than investors whose skill level of financial knowledge is low (Suresh, 2024). The moderating effect suggests that investors may not even utilize the accounting information to make investment decisions, if they lack the knowledge and skills to adequately process the information.

Findings also corroborate past studies on behavioural finance, which suggested that the financial decision-making process is determined by individual characteristics. Meanwhile, the more financially literate investors are more confident about their ability to analyze financial information and they are more likely to convert available accounting disclosures into investment intentions (Almansour et al., 2023). Conversely, lower financial literacy investors may have some trouble interpreting accounting information, and therefore its effect on investment. So that financial literacy is an important ability to strengthen the influence that leads to investor behavioural decisions from accounting information (Lusardi & Messy, 2023).

Theoretically, this paper makes the following two-point contribution to the Theory of Planned Behaviour: (1) the Theory of Planned Behaviour is extended to the accounting/ investment decision-making context. TPB says that people's intentions to do something is a function of their attitudes and perceived behavioural control (Ajzen, 1991). In this study, information quality in accounting information plays a role in developing positive attitudes to investment opportunities in the form of accounting information which is available and reliable for evaluation. Financial literacy contributes to perceived behavioural control, as those with a clear understanding of financial knowledge feel better able to understand and make use of the accounting information (Song et al., 2023). Investment intention is a kind of behavioural intention in TPB model and shows the influence of information quality and individual capability to investment related decision.

The conclusions are in line with the previous research, which mention the need of financial knowledge to improve the quality of investment decisions. Research reveals that the more financially literate people are, the more likely they are to review and analyse available information, identify possible risks and make informed financial choices. Current study provides more comprehensive findings in that financial literacy does not only directly affect financial behaviour, but that it also affects the linkage between the quality of accounting information and investment intention.

In general, the findings show a holistic explanation on investment intention with investment information character including investors' capability. The study proves that good accounting information does foster the intention to invest, and that the higher an investor's financial literacy, the more significant the effects of this information will be. These regulations can be valuable to accounting researchers, companies, investors, and policy makers because they highlight the critical role of financial education and financial reporting transparency are to assist in informed investment decisions.

5. Conclusion and Recommendations

This study aimed to analyse the effect of accounting information quality on investment intention and moderation effect of financial literacy on the relationship between accounting information quality and investment intention. The results showed that the quality of accounting information has a significant impact on investment intention, which means that if organizations have reliable and relevant accounting information and have been accurate and transparent in providing those information, the investors will be willing to invest in the organization. Moreover, the findings indicated that such relationship is supported by financial literacy whereby sophisticated investors attracted to a specific country can use accounting information in an investment decision more effectively when they have financial literacy. The study concludes that making good investment decisions requires providing good accounting information, but also the skill of investors to interpret and use the information. Hence, the quality of accounting information and financial literacy have been considered as a factor in the promotion of investors' awareness in investment behaviour and increasing the effectiveness of financial decision-making processes.

5.1 Theoretical Implications

The contribution of this study on the theory front is the extension of the application of the Theory of Planned Behaviour (TPB) in the field of accounting and behavioural finance. The results of the research show that the accounting information quality is related to attitudes and intention of investors to invest in an investment opportunity and financial literacy improve perceived behavioural control score through investors' capacity to process financial information. The consideration of information quality and the characteristics of the investors gives a wider account of the formation of investment intention. The study makes a theoretical impact by finding that both the outside factors to invest as well as the ability of the investors make a difference in the choice of their investment, which helps in broadening the understanding of the as effecting behavioural mechanisms in making financial decisions.

5.2 Practical Implications

The results have significant policy, company and investor implications. There is a need for companies to devote their efforts towards enhancing the quality of financial reporting which includes disclosure in a manner that is transparent, accurate, timely and understandable to the investors. Quality reporting can boost investor confidence and boost participation in investments. Investors must do is to increase their own financial literacy to enhance their capability to analyse their accounting information and make sound investment decision. Financial education programs should be encouraged to increase the public's knowledge of financial concepts and risks and of how to read financial reports, by both policy makers and financial institutions.

5.3 Recommendation, Limitations and Future Research Directions

Companies need to give improved accounting disclosure as required by the information needs of the investors. The financial institutions and educational organizations should launch investor education programmes to enhance the investor decision-making skills. Policy makers should promote financial education programmes to improve investment awareness and confidence of the people. The present study is subject to a number of limitations that need to be taken into account. First, this study adopted convenience sampling which might reduce the extent of generalizability of the obtained results to other investors in general. Second, the cross-sectional research design is used and hence, it is not possible to observe the changes of investment intentions from time to time. Thirdly, there are only 254 respondents in the study which may limit the generalization of the findings in other contexts. The following study may overcome these deficiencies by selecting larger, and more varied populations, from various countries and financial markets. Longitudinal designs can give more information on the changes in investors' attitudes from time to time. In addition, other moderating variables could be mentioned in future studies like risk tolerance, experience in investing and trust in financial reporting, in order to explain the relationship between accounting information quality and investment intention in-depth.

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Contribution of Authors

All the authors participated in the ideation, development, and final approval of the manuscript, making significant contributions to the work reported.

Conflict of Interest Statement

The authors declare no conflicts of interest.

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Informed Consent

Informed consent was obtained from all individual participants included in the study.

Ethical Approval

All procedures performed in studies involving human participants were in accordance with the ethical standards of 1964 Helsinki declaration and its later amendments.

Data Availability

The datasets generated during and analysed during the current study are available from the corresponding author on reasonable request.

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