UMYU Journal of Accounting and Finance Research. Vol.7 No.1 December 2024, pp 011-029.
https://doi.org/10.61143/umyu-jafr.7(1)2024.002
ISSN: 2795-3831
E-ISSN: 2795-3823

AN EVALUATION OF LISTED DEPOSIT MONEY BANKS IN NIGERIA'S DEGREE OF ADHERENCE TO INTERNATIONAL FINANCIAL REPORTING STANDARDS SEVEN (IFRS 7)

Abdulkadir Aminu Ladan[1], Kabiru Mande Dambuwa[2] and Abdulsalam, Nasiru Kaoje[2]

[1]Department of Business & Management Studies, Ummaru Ali Shinkafi Polytechnic Sokoto, Sokoto, Nigeria

[1&2]Department of Accounting, Faculty of Management Sciences, Usmanu Danfodiyo University, Sokoto, Nigeria

Corresponding Address: kabirudambuwa@gmail.com

Abstract

This study focuses on analyzing the level of compliance and effects of IFRS 7 on the operations of DMBs in Nigeria. The study further evaluates how effectively IFRS 7 has influenced banks financial reporting, risk management strategies and overall transparency in financial disclosure. Data were sourced from annual accounts and reports of listed DMBs for a period of 10 years, spanning from 2011 to 2020. The entire 14 Nigerian deposit money banks listed on the Nigerian Stock Exchange as of 2020 served as population of the study. The study tested the baseline assumptions using the Ohlson regression model and examined the relationship between financial performance and IFRS7 disclosure using multiple regression. To meet the requirements for a Best Linear Unbias Estimate (BLUE), the study also conducted diagnostic tests such as the variance inflation factor (VIF) test. The study comes to the conclusion that book value per share is more value-relevant and price-sensitive than earnings per share when comparing the degree of compliance between high and low levels. The study recommends uniform regulation quality and enforcement to improve accounting information disclosures by business entities in Nigeria, particularly listed financial institution in Nigeria.

Keywords: *DMBs, IFRS7, Compliance*

INTRODUCTION

1.1 The study's background

Research in finance and accounting has become more intense as a result of the global implementation of IFRS. However, developed and developing economic countries globally have adopt the IFRS in their entirety, while others modify each of the specific IFRSs (Abdulrahman and Hamdan 2019). The requirements of a specific IFRS may not have been adopted in all jurisdictions. Therefore, users of the IFRSs in different jurisdictions should determine for themselves if the standard is applicable in their own jurisdiction. The usefulness of financial reporting data in annual reports is based on the degree of disclosure standards compliance. Uniform accounting and reporting standards on a global basis were a mirage prior to the endeavor of the International Accounting Standards Board (IASB) in 2002 because each nation designs its own financial reporting structure.

Even though the reports were nicely presented, investors were limited in their ability to transact

across borders due to unfamiliar accounting and reporting languages. A lack of proper disclosure in financial reports has the potential to limit optimal investments and worldwide portfolio diversification among investing groups (Madawaki, 2014). As a result, foreign financing through stock trading may be insufficient or lacking based on jurisdiction-specific standards.

According to the roadmap, by January 1, 2012, major public interest groups and publicly traded companies must use IFRS. Other public interest organizations have been obliged to comply since January 1, 2013, and small and medium-sized businesses are anticipated to comply for periods ending after January 1, 2014. Some individuals hold the belief that global adoption of IFRS is imminent, while others maintain that Nigerian GAAP remains the optimal standard and the full adoption of IFRS would compromise quality (Nwoye, 2017). Furthermore, some businesses with few international operations or clients could be reluctant to embrace IFRS because they lack the market incentives and technical know-how to do so (Hassan, 2015). The need for high-quality financial reporting to support stable finances and a growing economy, as well as the expansion of multinational corporations and foreign investment, drove Nigeria's adoption of IFRS. Therefore, Nigeria's implementation of IFRS should reduce the cost of conducting cross-border business, attract foreign investment, facilitate the process of obtaining funds from outside the nation, assist individuals in making better decisions, and expedite the collection of valuable data regarding the performance of entities that report for comparability and reliability (Madawaki, 2014).

The goal of IFRS 7 is to increase the transparency of information for users of financial statements regarding an entity's risk exposure and risk management practices. Range All IFRS-compliant financial statements, including financial instruments not specifically excluded from the standard's purview, apply IFRS 7. IFRS 7 covers all risks from all financial instruments, including those not displayed on the balance sheet, for all businesses across all sectors. A distinct, more specialized standard covers certain risks, including those related to stakes in subsidiaries, associates, and joint ventures, as well as those related to insurance contracts, post-employment benefits, and share-based compensation. For instance, IFRS 7 covers loan commitments not covered by IAS 39, Financial Instruments: Recognition and Measurement. IFRS 7 also applies to contracts for the acquisition or sale of non-financial items covered by IAS 39 (as derivative financial instruments). When creating the necessary disclosures, the study should treat some financial instruments as a distinct class in accordance with the application guidance of IFRS 7.

The accounting principles utilized to compile the financial statements in conformity with IFRS, including consolidation adjustments, must provide the foundation for IFRS 7 disclosures. If such accounting policies were not used in the preparation of the internal data provided to management for risk management purposes, it would need to be changed. In accordance with the nature of the information revealed and the properties of the instruments, IFRS 7 frequently calls for disclosure by class of financial instrument (Martin, 2019). A class of financial instrument, such as those that are offered for sale or loans and receivables, is at a lower level of aggregation than a category. For instance, kinds of financial instruments could include asset-backed securities, equity securities, and government debt securities. The IFRS 7 also mandates a description of management's goals, strategies, and procedures for managing risks, as well as information on the extent to which the entity is exposed to risks resulting from financial instruments. These disclosures give a comprehensive picture of how the entity uses financial instruments and the risks it is exposed to. The amount of information that must be disclosed

https://doi.org/10.61143/umyu-jafr.7(1)2024.002
ISSN: 2795-3831
E-ISSN: 2795-3823

depends on how much the entity uses financial instruments and how exposed it is to risk.

Public interest businesses in Nigeria's degree of IFRS 7 compliance has raised questions in the accounting and financial literature. On the question of compliance and observance of accounting rules, empirical investigations have been done. Some research reported complete IFRS 7 compliance and broadly support the idea that Nigerian public interest corporations do comply with the requirements of IFRS 7 (Abubakar, 2018; Niclas et al., 2018; Nwoye et al., 2017, Hassan 2015, Cai et al., 2008; Aussenegg et al., 2008). Other research, though, has had contradictory results. However, the corporate community, regulators, and certain studies have not fully endorsed this position due to the lack of evidence supporting its validity.

One of the goals of IFRS 7 is to enhance stakeholders' comprehension of bank financial reporting concerning their performance, cash flows, and profitability at any given point in time (Kirk, 2005). Since the IASB published and improved IFRS 7 in 2007, there has been a significant increase in the need for more risk information. According to estimates from the Bank of International Settlement (BIS, 2014), the total amount of outstanding worldwide over-the-counter derivatives was $710.63 trillion as of December 31, 2013. The value was $691.49 trillion as of June 30, 2014, a small decline. Options trading in foreign exchange led to significant losses, particularly in the US and Australia, where Barings Bank Plc lost over $1 billion and Australian National Bank lost over $360 million (Denning, 2013; Kemp, 2004; BIS, 2013).

These losses made analysts and scholars question whether the framework for financial reporting that discloses financial instruments is actually sufficient in terms of form and context to allow investors to assess the risks and uncertainties associated with this type of trading (Amoako & Asante, 2013; Tan, 2005). Due to the emergence of derivative accounting and its associated negative effects, it is essential to have a firm understanding of the technical aspects of commodities to increase shareholder value (Amoako & Asante, 2013; Tan, 2005). Additionally, it advocates for stricter operator control, regulatory compliance, and higher standards for risk management (Vargha 2013).

However, it is clear that the company wasn't fully disclosing everything, the International Accounting Standards Board and other researchers were disappointed that external auditors weren't able to find any violations of standards when it came to trading derivatives that caused losses (Kamardin et al., 2015, Glaum & Street, 2003; Street & Grey, 2001; IASB, 2005). To ensure complete compliance, independent auditors and regulatory agencies must give the disclosure issue more consideration (Amoako & Asante, 2013; Glaum & Street, 2003). Daske et al.'s (2007) classification of IFRS-compliant firms as serious and label adopters is further supported by the derivative losses, as they represent a flagrant instance of non-compliance. Furthermore, filling the significant knowledge gap on IFRS 7 disclosure is crucial, particularly in the banking industry. This could imply that there is always a difference between the requirements of one accounting standard and the extent to which corporate entities follow that standard.

This study investigates the degree to which listed banks in Nigeria, a developing country with regulatory authorities, are adhering to the standards of IFRS 7 on financial instruments. It accomplishes this by referencing prior studies carried out in developed countries. Nigeria began implementing the principles-based framework on January 1, 2012, fulfilling its obligation since September 28, 2010 (Bala, 2013; Edogbanya & Kamardin, 2014). This not only provides insight into the reliability, applicability, and quality of the financial reports of Nigerian listed banks,

but also determines the extent of IFRS7 compliance among these banks and the factors influencing that level of compliance.

1.2 Objectives of the Study

This study's main goal is to evaluate how well Nigerian deposit money institutions adhere to IFRS 7. The particular goals are to:

i. Evaluate how well Nigerian deposit money banks adhere to IFRS7 on financial instruments.
ii. Evaluate the factors that influence Nigerian deposit money banks' degree of IFRS 7 compliance.
iii. Evaluate the connection between Nigerian deposit money banks' performance and their degree of IFRS7 compliance.

REVIEW OF LITERATURE

2.1 Overview

This section reviewed relevant and related concepts on financial instruments, the International Financial Reporting Standard (IFRS) and its main ideas and broad outline, the history of IFRS development, the pros and cons of adopting IFRS, an empirical review of the literature on IFRS of listed deposit money banks in Nigeria, and a theoretical framework.

2.2 IFRS 7 Financial Instruments Concepts: Disclosure

Both financial and non-financial businesses, including investment managers, real estate funds, private equity funds, and investment funds, are subject to IFRS 7. The fund's usage of financial instruments and degree of risk determine the information disclosure. The two parts of IFRS 7 are risk disclosures from management's point of view and quantitative disclosures in balance sheets and income statements. Management is able to emphasize the advantages of the control environment and provide internal measurements thanks to these disclosures.

The revised IFRS 7 in October 2008 to allow the categorization of financial assets that are not derivatives. In order to make clear the regulations' effective and transition dates, another proposed an additional amendment in November 2008. To address concerns regarding applications, IFRS 7 implemented a third modification in March 2009 that required additional disclosures regarding fair value calculation and liquidity risk.

Financial instruments are agreements that give one party both assets and financial obligations. They fall into three categories: equity instruments, financial liabilities, and financial assets. The IASB categorizes contracts that fluctuate in value based on the value of an underlying asset as derivative financial instruments. These instruments need to have specific qualities, such as a value that fluctuates in response to shifts in the underlying interest rate (Hassan 2015). There are three main accounting concepts that apply to financial instruments. IAS 32, Financial Instruments: Illustrations of the Financial Instruments' Liability and Equity Classification, presents certain compound instruments, such as securities that combine debt and equity. IAS 39: Measurement and Recognition, which includes derecognition, applies to financial instruments. Comprehend IFRS 7's standards for financial instrument disclosure. Accounting applies to financial instruments and financial hedging.

Financial statements must disclose the type and degree of risks associated with financial

ISSN: 2795-3831
E-ISSN: 2795-3823

instruments, as well as an entity's financial status and performance, in accordance with the International Financial Reporting Standards (IFRS). In order to assist investors in making well-informed decisions on risks and returns, risk management advancements have raised the demand for transparency and information regarding financial instrument exposures, especially in volatile markets (Budrina, 2014). IFRS 7, a financial reporting standard, assists in identifying potential risks and the significance of financial instruments for a business's performance and financial position. IFRS 7 covers all financial instruments, including the most fundamental ones like loans and investments. In 2009, the system underwent an update to improve accounting standards and transparency. We created a three-tiered hierarchy to ascertain fair value.

The change will effect all accounting periods beginning after January 1, 2009, pending EU approval. An entity's exposure to financial instruments and risk management procedures must be known to the IASB. The standard preserves the presentation component of IAS 32 while updating IAS 30 and IAS 32. Noncompliance is illegal, regardless of whether it is voluntary or required by law. For global trust, international accounting standards must encompass all aspects, including the management of financial instruments. However, conflicting investor and national interests make financial instruments challenging even today. The International Accounting Standards Council (IASC) began working on this topic in 1988 with the goal of creating general principles for guidance in accounting for the majority of financial instruments rather than creating specific recommendations for novel transactions or instruments Abdulrahman (2019).

2.3 Nigeria's adoption of IFRS

Nigeria, a significant player in the global economy, would have to follow International Financial Reporting Standards (IFRS) as of 2012 due to changes in international accounting standards. The adoption of IFRS will begin in January 2012, as approved by the Nigerian Federal Executive Council. The Federal Executive Council's decision to fully adopt International Financial Reporting Standards (IFRS) led to the establishment of the Financial Reporting Council of Nigeria (FRCN) in 2011. By January 1, 2012, listed firms in Nigeria and important public interest organizations must adhere to the NABS's Roadmap to Convergence with IFRS. The report recommends reforms to the Investment and Security Act, BOFIA, CAMA, and other relevant laws and regulations Ahmed (2013).

2.4 The Difficulties in Adopting IFRS

Despite the alleged advantages, a number of issues tend to limit the applicability of IFRS in various nations. According to Armstrong et al. (2007), institutional, political, cultural, and economic factors make it impossible for a single set of international reporting standards to account for variations in national business practices. Additionally, the features of institutional frameworks and regional business ecosystems greatly influence the structure, substance, and form of accounting standards (Iyoha and Jimoh 2011).

According to Budrina (2014), some of the difficulties in putting IFRS into practice include management incentives, timely standard interpretation, ongoing IFRS revisions, and the accounting knowledge and experience of users, preparers, auditors, and regulators. It is especially challenging to reconcile and transition between traditions because of the historical disparities in philosophy, setting, cultures, institutions, and practices between the major divisions of Southern America, Continental Europe, and Anglo-Saxony (Bahloul, 2014). Naturally, IFRS can improve reporting transparency, cut information costs, and lessen

https://doi.org/10.61143/umyu-jafr.7(1)2024.002
ISSN: 2795-3831
E-ISSN: 2795-3823

information asymmetry—all of which can increase liquidity.

Gyasi (2010) noted a number of difficulties in putting IFRS into practice. The first is the high cost of adoption, which includes consulting services, staff training, and reorganization of the accounting system. The system's foundation is based on developed economies, making it challenging to accurately represent developing economies. The third problem involves redesigning internal control to align with the new standards. The fourth difficulty is that external auditors need to work with trustworthy businesses. Compliance with local laws and staff adaptation represent the sixth challenge.

2.3 Review of Empirical Studies.

Protecting the interests of stakeholders, particularly shareholders, is the main goal of standardization. As a result, companies that are listed on the Nigerian Stock Exchange must use International Financial Reporting Standards (IFRS) to create their financial records. IFRS seeks to create a unified set of superior accounting standards for financial accounting data in order to increase investors' trust in financial accounts and help them make informed investment decisions. The study now working on an accounting study to find out how well listed companies in Nigeria are following IFRS 7. Nevertheless, prior studies have so far produced contradictory findings.

Abdulrahman and Hamdan (2019) this study evaluated how Malaysian SMEs followed financial reporting guidelines that were in line with the international accounting standard (IFRS). A disclosure index measures the level of compliance. The study examined a sample of 105 SMEs' annual reports for the fiscal year that concluded on December 31, 2013. The results showed that the overall compliance rate was 96%. Regression analysis revealed a strong positive and negative correlation between firm size and profitability and the IFRS disclosure requirement.

Martin (2019) evaluate the listed businesses in Rwanda and Uganda, setting standards for adherence to international financial reporting regulations. Using a checklist, the study assessed 65 financial statements from the time series from 2015 to 2017 in order to create the compliance indices. The Rwandan Stock Exchange (RSE) has an index of 92%, whereas listed companies in Uganda had an average compliance score of 95%, according to the study findings. The measurement shows that USE consistently maintained 95% compliance between 2015 and 2017. But in 2015, the RSE compliance score was 96%; by 2017, it was 90%. The study concluded that, regulatory bodies may begin implementing awareness-raising campaigns, such as trainings designed to draw attention to troubling disclosure gaps.

Abubakar (2018) The study primarily aims to investigate the impact of compliance on asset value and profitability. 44 businesses that were active when Nigerian standardization began in 1984 and had consistent financial histories with the Nigerian Stock Exchange made up the sample. The study obtained information about the companies' assets, profitability, and compliance from the Nigerian Stock Exchange and their annual reports. The study evaluated the degree of compliance using student 'T' statistics and examined the impact of compliance using Pearson Product Moment and Spearman's rank correlation statistics. The findings showed that, although Nigerian companies follow accounting regulations to a reasonable extent, their level of compliance is below the global average. According to the report, there is still room for improvement in the way that businesses adhere to accounting regulations, but these gains haven't been substantial enough. The study offered several recommendations, including the

https://doi.org/10.61143/umyu-jafr.7(1)2024.002 ISSN: 2795-3831 E-ISSN: 2795-3823

enhancement of firms' adherence to standards and the regular review of standards to ensure their use in enforcing better business practices.

Niclas et al. (2018) Conducted a study to evaluates the impact of additional disclosure criteria as part of the IASB Disclosure Initiative. The study also assessed previous research on how companies have complied with disclosure requirements. According to the study, there are high levels of volatility and noncompliance across all organizations, and poor disclosers perform noticeably worse than average. The study showed how hard it is to measure compliance with disclosure principles. However, it couldn't prove that International Financial Reporting Standards (IFRS) that put disclosure principles ahead of specific standards (i.e., IFRS 7 and IFRS 8) lead to higher compliance. The current available research indicates that the incentives companies face to disclose or withhold information, along with the local conditions affecting main users, auditors, and regulators, significantly influence the adherence to an accounting standard. The review supports the study's argument that relying more on entities to follow disclosure rules in "good faith" could be dangerous for the Standards' ability to protect primary users from bad disclosers. This is especially true in capital-market settings, where entities may have low costs of not following the rules and high incentives to do so. To guarantee a certain minimum degree of transparency, the study need to pay more attention to ensuring the auditability and enforcement of the disclosure standards.

Nwoye et al. (2017) examined Nigerian banks' level of adherence to IFRS to determine how this compliance had improved those companies' financial reports internationally. The study integrated primary and secondary data sources with the content analysis study design technique. The study used 77 disclosure items from the IFRS disclosures checklist to evaluate specific financial statements. Zenith Bank, First City Monument Bank, Guarantee Trust Bank, Diamond Bank, Access Bank, United Bank for Africa, ECO Bank, First Bank, and Fidelity Bank's 2012–2014 financial reports were the source of the information. The study performed multiple regression analysis using SPSS version 22 on all Nigerian banks included in the top 1000 globally in 2015. The investigation's findings demonstrated that Nigerian banks' level of compliance with IFRS disclosure rules had, in fact, raised the level of international acceptance of their financial reporting practices. Additionally, the study showed that the independent factors played a substantial role in explaining the quality of compliance with the IFRS disclosure regulations that Nigerian banks followed. To ascertain the degree of "data quality"—that is, the reliability of the financial information provided—in the financial statements of these nine Nigerian banks, the study recommended carrying out more research in this field. This research project focuses on the "compliance quality" of the examined banks' financial statements with IFRS disclosure criteria in order to best support its emphasis.

Kamardin et al. (2015) evaluated listed banks in Nigeria for adherence to International Financial Reporting Standards 7 (IFRS 7). Because they were actively trading on the main board of the Nigerian Stock Exchange (NSE) as of December 31, 2011, and because their financial reports were easily accessible, the study chose to include fifteen (15) of the twenty-one listed banks in its sample. According to the report, the 15 banks' compliance rate of 63.3% was marginally higher than average. According to the report, the Financial Reporting Council of Nigeria (FRCN), the nation's new financial regulatory monitoring and enforcement organization, should work to guarantee complete compliance. The study concluded that to completely comply with all IFRS 7 regulations, promote employee training, carry out inspections, and keep an eye on the banking industry. This is because the transparency and comparability of accounting data depend on disclosure, which is the first step towards compliance. A sound bank must adhere to

https://doi.org/10.61143/umyu-jafr.7(1)2024.002
ISSN: 2795-3831
E-ISSN: 2795-3823

all reporting and accounting laws in order to generate standard accounting procedures.

Hassan (2015) examined the Nigerian listed deposit money banks' adherence to international financial reporting standards and the caliber of their earnings. The correlational research design employed multiple regression as an analysis method, and the study's sample included balanced panel data from 14 banks. The results demonstrated that firm characteristics (such as leverage, profitability, liquidity, bank size, and growth) are a significant predictor of the quality of earnings of listed money banks in Nigeria after the adoption of IFRS, even though the pre-period suggests that the chosen firm characteristics have no discernible effect on the quality of earnings. Consequently, the study draw the conclusion that IFRS adoption is both appropriate and timely.

Adamu et al. (2015) The study evaluates the compliance of fourteen Nigerian stock exchange listed banks with International Financial Reporting Standard 7 (IFRS 7). The study examines 132 obligatory disclosure obligations during a two-year period, from 2012 to 2013, using a disclosure checklist. The inquiry's findings reveal a lack of adherence to transparency laws. Although compliance was above average for the two years under review, a difference between the two study years indicates improvement. This research indicates a minor improvement in the IFRS 7 compliance levels of the majority of banks in 2013 as compared to 2012. It's possible that training, conferences, seminars, and workshops (both domestic and foreign) have increased the banks' board of directors, management, and line employees' understanding of IFRS. According to this analysis, the 2012 and 2013 scores are likewise 55.5%. Even though it has increased, the average score over the past two years has been below 60%, indicating low compliance. The findings of the study underscore the necessity for accounting authorities such as the Financial Reporting Council (FRC) and the Nigerian Securities and Exchange Commission (SEC) to effectively execute their oversight and enforcement mechanisms. This is because, when compared to other developing countries, Nigerian listed banks' average compliance levels in 2012 and 2013, respectively, were 55.6% and 58.7%, two years into the implementation process, falling short of expectations. Furthermore, in order to guarantee complete compliance, the independent auditors—who, unfortunately, audit thirteen of the fourteen institutions under investigation—must take all necessary steps.

Adebimpe and Ekwere (2015) examined the value and applicability of financial statements from Nigerian-listed banks, as well as the implementation of IFRS. The study investigates experimentally whether Nigerian commercial banks' financial statements now provide more relevant and significant financial information as a result of the required adoption of IFRS. Twelve Nigerian listed banks make up the sample. The study specifically used financial statement data from the years 2012 and 2013 after adoption, as well as from 2010 and 2011 prior to adoption. The study used descriptive statistics and least squares regression to examine how the implementation of IFRS affected accounting quality. The outcome shows that under IFRS, banks' earnings and equity value are more valuable in relation to share prices than they were under the previous Nigerian accounting standards. SAS. The results also show that while the book value of equity per share is rapidly losing significance, profits per share are steadily increasing in value during the post-IFRS era. This could indicate that the adoption of IFRS has led equity investors to view reported earnings from Nigerian commercial banks as more valuable when determining their value. The overall conclusions of the study, based on the accounting data, indicate a dramatic increase in the book values of equity, earnings per share,

and share prices of commercial banks since the implementation of IFRS.

2.4 Review of Theories.

The study will use three theories as its foundation to understand the degree of conformance with International Financial Reporting Standards 7 (IFRS 7). These theories are financial theory, agency theory, and reliability theory.

i Financial Control Theory

financial control theory was selected to serve as the choice for this study investigation this is because, the theory foot more emphasis on the value of financial regulation in the NDMB's, the theory clarifies how Nigerian deposit money banks act as representatives of the broader public. Financial regulations are based on the personal roles that people play now and in the future. They stress the value of financial tools for DMB's in Nigeria, such as accounting, control models, financial instruments, payments, and economic computations. John et al. (2014) theoretically view that, roles, structure, and control systems of the organization are the main subject of financial control theory, which is important for both individual organizations and broader economic systems. Additionally, according to the notion, financial control systems and structure complement one another to improve a company's knowledge of accountability.

ii. The Theory of Agency:

According to agency theory, moral hazard and adverse selection have an impact on an agent's performance when they fail to carry out their responsibilities and acquire necessary information. Contract maintenance and opportunistic behavior control depend on firms. With the principle designating an expert to supervise the agent, a comprehensive contract takes into account the interests of both the principal and the agent. Audit committees, budgeting, financial control, financial reporting, and external audits address agency difficulties in business.

iii. Theory of Reliability

Companies that provide life and marine insurance utilize reliability theory as a tool to determine their lucrative rates. It establishes the likelihood that a system will eventually perform its anticipated purpose. Internal control systems consist of interconnected parts and have a predetermined success metric. A component's reliability is based on whether it is "successful" or "not successful." Professional literature has explored the theory's relevance in internal control system evaluation and design, yet it lacks detailed applications. Since they evaluate and manage risks, external auditors and organization management could use the notion. By comparing reliability predictions to previous operations, we can find a more trustworthy foundation for evaluating revenue risk.

2.5 Research Gaps

The empirical review so far supports the studies by Cai et al. (2008), Hayfa et al., 2013; Iatridis, 2010; Nina et al., 2009; Paglietti, 2009; Cai et al., 2008; Aussenegg et al., 2008; Christensen et al., 2008; Barth et al., 2008; Jag-gi & Li, 2004). This study also identifies an observable gap because none of the researchers conducted their investigations in the Nigerian context, and when they did, their scope was often limited to the year 2014.

UMYU Journal of Accounting and Finance Research. Vol.7 No.1 December 2024, pp 011-029. ISSN: 2795-3831
https://doi.org/10.61143/umyu-jafr.7(1)2024.002 E-ISSN: 2795-3823

RESEARCH METHODS

This study investigates how Nigerian deposit money institutions adhere to IFRS 7 disclosure criteria. From 2011 to 2020, the study examined the relationship between financial performance and IFRS7 disclosure using a quasi-experimental study design. The population consisted of all 14 Nigerian deposit money institutions listed on the Nigerian Stock Exchange as of 2020. The secondary data came from the banks' 2011–2020 annual reports and accounts. The study used positivist methodology in verified the baseline assumptions using the Ohlson regression model and examined the relationship between IFRS7 disclosure and financial performance using multiple regression analysis. The study also performed diagnostic tests, such as the variance inflation factor (VIF) test, to ensure that the study met the conditions for a Best Linear Unbias Estimate (BLUE).

Table 3.1: List of Deposit Money Banks and Sample Selected for the Study

S/N	BANK	STATUS SOURCE	REMARKS
1	ACCESS BANK PLC	Book value per share	Earning per share
2	ECOBANK PLC	Book value per share	Earning per share
3	FBN HOLDINGS	Book value per share	Earning per share
4	FCMB	Book value per share	Earning per share
5	FIDELITY	Book value per share	Earning per share
6	GTB	Book value per share	Earning per share
7	JAIZ BANK PLC	Book value per share	Earning per share
8	STANBIC IBTC	Book value per share	Earning per share
9	STERLING BANK	Book value per share	Earning per share
10	UBA BANK PLC	Book value per share	Earning per share
11	UNITY BANK PLC	Book value per share	Earning per share
12	UNION BANK PLC	Book value per share	Earning per share
13	WEMA BANK PLC	Book value per share	Earning per share
14	ZENITH BANK PLC	Book value per share	Earning per share

Source: Nigeria Stock Exchange, (2020).

ii. Model Specification.

Panel data accounts for individual variability from hidden variables, preventing inaccurate time-series or cross-section estimations. The double subscripts for each variable in the panel regression equation produce a broad model. Therefore, the study will use the following general form of the model in the investigation:

$$Yit = \alpha + \beta Xit + \mu it \quad (ix)$$

The dependent variable which is financial performance, is represented in the model, Yit, where the subscript i signifies the cross-sectional dimension and the subscript t specifies the time series dimension. It contains the group of explanatory factors that are incorporated into the estimate model. Additionally, a constant is present, and symbols are used to denote the coefficients, error term, and symbols for the constant.

A multivariate linear regression model is set up to look at the independent variables in study. The model captures the degree of value relevance of IFRS 7 disclosure compliance, and explains the level of IFRS 7 disclosure compliance Nigeria's listed deposit money banks and,

https://doi.org/10.61143/umyu-jafr.7(1)2024.002
ISSN: 2795-3831
E-ISSN: 2795-3823

on the other hand, the connection between IFRS7 disclosure and financial performance. As mentioned in the model, the Bewick (2003) regression model was used to measure profits as value-relevant variables, and the equity value of businesses was expressed as a function of reported earnings and business book value during the research period. The following is the specification of the econometric model:

PPSit= α + β1BVPS+ β2 EPSit+ β3 DISCit+ εit……………… … (1)

DATA ANALYSIS

This section presented, reviewed, and explained the results of several tests performed on the collected data. The section concludes with a study of the correlation matrix, the outcomes of the robustness tests, and the regression results. The section concluded with reflections on the main findings of the investigation and their political implications.

4.1 Descriptive Statistics

Each dependent and independent variable's mean, standard deviation, maximum, and minimum are shown in the descriptive statistic table. The level of compliance with IFRS disclosures is displayed in Table 4.1.

Table 4.1: IFRS Disclosure

Variables	Obs	Mean	Std. dev.	Min	Max
PPS	90	0.7329	0.5586	0.21	2.94
BVPS	90	1.0059	0.4659	-0.01	2.87
EPS	90	0.0772	0.1933	-0.39	1.4
DISCLSRE	90	0.7068	0.0281	0.20	0.75

Source: Summary of STATA OUTPUT

Table 4.2 Summary of Descriptive Statistics.

Variable	Obs	Mean	Std. Dev.	Min	Max
ifrs7discl	84	.648	.147	.2	.8
Roa	84	.017	.018	-.095	.061
Tobinsq	84	1.203	1.032	.5	8.409
Roe	84	.02	.024	-.015	.087

Source: summary of STATA OUTPUT

Table 4.1 illustrates the analysis of the explanatory and control components using descriptive statistics. According to the report, the average price per share of the sample deposit money banks is N0.73, while the lowest and maximum prices are N0.21 and N2.94, respectively. With a standard deviation of 0.558 (N0.56), the results also demonstrate the low variability of the listed deposit money banks. The results show that the BVPS values do not exhibit a disproportionate distribution around the mean, with a mean BVPS value of N1.005 and a standard deviation of N0.466. The range is, accordingly, -N0.01 to N2.87. This finding indicates that there is a considerable range of variation in the net asset values of Nigerian listed deposit money institutions, with the average being well below the highest and minimum values. The EPS has a standard deviation of N0.193 and a mean of N0.077. The standard deviation value indicates significant differences in deposit money bank earnings across companies, and the EPS does not closely cluster around the mean of the studied data. Furthermore, there is a large variation in the EPS measurements, with the lowest value being -N0.39 and the highest value

 ISSN: 2795-3831
E-ISSN: 2795-3823

being N1.4.

Finally, the standard deviation of 2.8% demonstrates modest diversity in disclosure across the studied firms, while the average IFRS7 disclosure across sampled listed deposit money institutions is 70%. The minimal and maximum disclosures are, respectively, 20% and 75%.

According to Table 4.2, the sampled listed deposit money banks' average IFRS7 disclosure is 64.8%, and the standard deviation of 14.7% shows that there is little difference in disclosure across the banks in the sample. 20% is the lowest, and 80% is the maximum amount of disclosures. The descriptive statistics of the return rate measured by return on assets (ROA) show an average of 1.7% in the Table. A measurement of the effectiveness of the owners' invested capital, the ROA quantifies the contribution of net income per naira (local currency) invested by the firms' stockholders. ROA has values as high as 0.061 and as low as -0.095, respectively. Thus, the most lucrative deposit money institutions made a net profit of N0.61 from a single N1 asset investment, while deposit money banks can lose up to approximately -N0.95 for each N1 of asset investments. The ROA standard deviation of N0.18 indicates significant variation across deposit money banks. With a standard deviation of 1.032 and a Tobin's Q average of 1.203, we also discovered a significant variation from the mean. The minimum and highest values of Tobin's Q are 0.5 and 8.409, respectively. Lastly, the return on equity has a mean of 2% and a standard deviation of 2.4%. The range is -1.5% to 8.7%, in that order.

4.2 Test of Hypotheses

H01: The adoption of IFRS does not significantly impact the level of IFRS7 compliance on financial instruments by listed deposit money banks in Nigeria.

**There is no significant difference in the level of compliance with IFRS 7 among the listed deposit money banks in Nigeria.

H02: Nigerian money deposit banks do not comply with IFRS 7.

** The type of determinant does not significantly differ, providing an explanation.

The study focuses on the degree of compliance with IFRS 7 by listed deposit money banks in Nigeria.

Table 4.3. shows that interactions in the independent variable proxies (unit price of earnings, unit price of book value, and disclosure) included in the model can explain 29.83% of the variation in the price per share of Nigerian listed deposit money banks. The 6.18 F-statistic and corresponding 0.007 P-value demonstrated that fitness was statistically significant at 1%.

The table. presents an analysis showing a positive relationship between the unit price of book value (BVPS) and price per share (PPS). The 0.4677 coefficient level and corresponding T-value of 3.29 support the 1% statistical significance. Thus, the price per share affects the unit price of book value, and the growth of book value is a performance indicator of the company's capacity to increase profitability, maintain significant retained earnings following dividend payments, and produce consistent cash flow—all of which have a positive effect on share price valuation. This refutes the null hypothesis, which holds that the unit price of book value has no significant impact on the price per share. The findings of this study are consistent with those of

https://doi.org/10.61143/umyu-jafr.7(1)2024.002
ISSN: 2795-3831
E-ISSN: 2795-3823

Wael (2016), Ijeoma (2015), and Glezakos (2012).

Table 4.3: Regression Results

Variables	Overall	High Disclosure	Low Disclosure
Constant (a0)	-3.0690 (-2.15)**	0.1135 (0.54)	0.4189 (10.14)***
BVPS (b1)	0.4677 (3.29)***	0.6769 (2.72)***	0.1051 (1.76)*
EPS (b2)	0.2636 (0.69)	0.1685 (0.39)	0.2365 (1.69)
DISCLSRE (b3)	4.6847 (2.30)**		
R Squared	0.2983	0.2607	0.1715
F	6.18	5.63	1.79
Prob> F	0.0007	0.0061	0.1829
Mean VIF	1.13		

Source: summary of STATA OUTPUT

According to Table 4, the earnings per share (EPS) coefficient is 0.2636, and the T value is 0.69. It shows that the price per share (PPS) and unit price per earnings (EPS) of listed deposit money institutions have a modest but favorable association. This assumption does not rule out the null hypothesis, which holds that the unit price per earnings has no appreciable effect on the price per share. Table 4.3 presents Disclosure (DISCLSRE), which has a coefficient of 4.6847 and a matching T-value of 2.30 at 5% significance. It implies that profit statements and unit pricing are both statistically significant and advantageous. Technically speaking, the main cause of this outcome is that variations in company disclosures affect how responsive market value is to share price. Conversely, when the manager manipulates disclosures, it often leads to a rise in share prices and a reduction in the information asymmetry among external investors. This refutes the null hypothesis, which holds that disclosure has no discernible impact on share price. However, this result validated the empirical studies carried out by Ghosh (2015) and Yiadom and Atsunyo (2014).

4.3 A Comparison of High and Low Compliance Models' Value Relevance

In model two with high compliance, Table 4 shows that different levels of the control variable's standardized coefficients explain 26.1% of the price per share, giving an R2 value of 0.2607. However, the F and P statistics' matching results (F = 5.63 and P = 0.0061) show that the model basements have a respectable level of applicability. The statistical relationship between the unit price of earnings and the unit price of book values (BVPS and EPS) is noteworthy. The matching factors of 2.72 and 0.6769 also demonstrate a noteworthy 1% increase in the unit price of book values over the unit price per profit. The T-value and the coefficient of 0.1685, however, show that the relationship between unit price per earnings and unit price per book values was statistically negligible under high compliance (model two). Finally, the value of R20.1715 is relatively low when compared to model two. According to the results of the third model projection, the independent variables (BVPS and EPS) together account for about 17.15% of the variance in the dependent variable (price per share). The model is not appropriate for its intended use, according to the F and P statistics, which show a lack of satisfaction with the model forecast (F = 1.79 and P = 0.18829).

However, model three's findings show that the unit price of book value offers a more accurate explanation for why the unit price of earnings influences price per share fluctuations more strongly. At a 10% significance level, a degree of 0.1051 and a T-value of 1.76 demonstrate

https://doi.org/10.61143/umyu-jafr.7(1)2024.002
ISSN: 2795-3831
E-ISSN: 2795-3823

this. This suggests that there is a positive statistical association between the price per share and the unit price of book values. Although there is a positive statistical relationship between the unit price of earnings and price per share, the results show that this relationship is not statistically significant, with a variable degree of coefficient of 0.2365 and a matching T-value of 1.69.

4.4 Hypothesis Three

H03: IFRS 7 adoption does not determine the level of compliance with IFRS 7 by deposit money banks in Nigeria.

**There is no significant difference between the degree of compliance with IFRS 7 by listed deposit money banks in Nigeria and their performance.

Table 4.4: Regression Results

Variables	ROA	Tobin'sQ	ROE (FGLS)
Constant (a0)	-0.014(-1.69)*	0.031(-1.24)	-0. 035 (-3.37)***
ifrs7discl	0.047(3.78)***	0.045 (0.96)	0.084(5.45)***
R Squared		0.007	
Chi2	14.270	0.93	29.654
Prob> F	0.000	0.336	0.000

Source: STATA output *** p<.01, ** p<.05, * p<.1

Table 4.4 demonstrates, with a p-value of 0.336 and an F-stat of 0.93, that the regression result indicates a negligible impact of IFRS disclosure on market measures of firm performance (Tobin's Q). The model's adjusted R2 of 0.007 showed that it explained 7% of the variables that affect how well a company does in the market (Tobin's Q). This means that other variables, which are shown by the model's error term, account for 93% of the variables that were not included in this study.

4.5 Discussion of Findings

i. ROA and IFRS7DISCL.

Table 4.4. findings reveal a positive and substantial association between IFRS7 disclosure and ROA of listed deposit money banks. This relationship is demonstrated by the coefficient of 0.047 with a p-value of 0.000, which is statistically significant at 1%. This shows that IFRS7 disclosure has a big impact on the ROA of Nigeria's listed deposit money institutions. Therefore, based on the aforementioned conclusion, the study was unable to accept the null hypothesis that there is no connection between IFRS7 disclosure and ROA of listed deposit money banks in Nigeria. This result agrees with Abdulrahman and Hamdan's (2019) and Abubakar's (2018) findings.

ii. Tobin's Q and IFRS7DISCL

The conclusion from Table 4.4 demonstrates that there is a positive, statistically insignificant association between IFRS7 disclosure and Tobin's Q of listed deposit money banks, as shown by the coefficient of 0.045 with p-value 0.336. This shows that IFRS7 disclosure has no impact on how listed deposit money banks in Nigeria are measured in the market. Therefore, based on the aforementioned conclusion, the study was unable to disprove the null hypothesis that there

is no connection between IFRS7 disclosure and Tobin's Q of listed deposit money institutions in Nigeria. This finding conflicts with the literature that has been studied.

iii. ROE with IFRS7DISCL

The result from Table 4.4 demonstrates that there is a positive and significant association between the coefficient of IFRS7 disclosure and ROE of listed deposit money institutions. This is demonstrated by the coefficient of 0.084 with a p-value of 0.000, which is statistically significant at 1%. This shows that IFRS7 disclosure has a big impact on the ROE of Nigeria's listed deposit money institutions. As a result, the study was unable to accept the null hypothesis that there is no connection between IFRS7 disclosure and ROE of listed deposit money banks in Nigeria. This result agrees with Abdulrahman and Hamdan's (2019) and Abubakar's (2018) findings.

CONCLUSION AND RECOMMENDATION

5.1. Conclusion

The analysis comes to the conclusion that book value per share is more value-relevant and price-sensitive than earnings per share when comparing the degree of compliance between high and low levels. Model three's result, which indicates poor compliance, does not, however, achieve statistical acceptability. This complies with the IFRS procedural convergence requirement, which lessens the substantial influence of value relevance on equity book value. The three models (ROA, Tobin's Q, and ROE) used in the study showed evidence of a favorable relationship between IFRS7 disclosure and business performance. With the exception of Tobin's Q, all three models show a strong positive association with IFRS7 disclosure. The study conclude that there is a significant correlation between IFRS7 disclosure and company performance.

5.2 Recommendation

The research recommends uniform regulation quality and enforcement to improve accounting information disclosures by business entities in Nigeria, particularly listed corporations. This would protect investors' interests and improve compliance with regulatory frameworks. Companies must disclose risks in their annual and quarterly reports in order to increase transparency and informational transparency. Directors can more successfully enforce regulations and ensure compliance with the law if they have enough knowledge of the company's operations. Improved financial success may prompt reporting corporations to increase risk disclosure. The report examines the compliance of Nigerian-listed deposit money banks with IFRS 7 and recommends further research in several economic domains.

REFERENCES

Abdulrahman, A. & Hamdan, M. D. (2019). An investigation of the level of compliance with financial reporting standards (FRS 101) by Malaysian SMEs. *Journal of Economic Info,* 6(1), 31-38. **[Crossref]**

Abubakar, A. (2018). Firm attributes, Board characteristics and Corporate social Responsibility of Listed Deposit Money Banks in Nigeria. Department of Accounting, Ahmadu Bello University, Zaria, Nigeria.

ISSN: 2795-3831
E-ISSN: 2795-3823

Adamu, M., Lowe, J. & Manase, D. (2015) "Public-Private Development, the value and applicability of financial statements from Nigerian-listed banks, and implementation of IFRS in Nigeria. Journal of Management and Sustainability, 5(4), pp.58-67. **[Crossref]**

Adebimpe and Ekwere (2015). Adoption of international financial reporting standards and earnings quality in listed deposit money banks in Nigeria. Procedia Economics and Finance 28 (1), 92-101. **[Crossref]**

Ahmed, A. S., Neel, M. & Wang, D. (2013). Does mandatory adoption of IFRS improve accounting quality? Preliminary evidence. Contemporary Accounting Research 30(4), 1344. **[Crossref]**

Amoako, G. K & Asante, S. (2013). Compliance with international financial reporting standard 7 (IFRS 7): a study of listed banks in Ghana. Research Journal of Finance and Accounting, 3(4), 66-73

Armstrong, C., Barth, M. Jagolinzer, A. &Riedl, E., (2007). Market Reaction to the Adoption of IFRS in Europe. Working paper, Stanford University.

Aussenegg, W., Inwinkl, P., Schneider, G. (2008). Earnings Management and Local vs International Accounting Standards of European Public Firms. *Journal of Economic Literature*, pp. 1-52. **[Crossref]**

Bahloul, J., Ben A. M. (2014) The Effects of Mandatory IAS/IFRS Regulation On The Properties of Earnings" Quality in Australia and Europe. European Journal of Business and Management, 6 (3), 2222-2839.

Bala, M. (2013). Effects of IFRS adoption on the financial reports of Nigerian listed entities: the case of oil and gas companies. The Macro theme Review, 2(7), 9-26.

Ball, R., Shivakumar, L., (2006) Earnings quality in UK private firms: Comparative loss recognition timeliness. *Journal of Accounting and Economics* 39, 83-128. **[Crossref]**

Bank for International Settlement (BIS, 2014). Basel principles. available at www.bis.org.

Barth, M. E., Landsman, W. R. & Lang, M. H. (2008). International accounting standards and accounting quality. *Journal of Accounting Research* 46(3), 467-498. **[Crossref]**

Barth, M., Landman, W. & Lang, M. (2007). International Accounting Standards and Accounting Quality. *Journal of Accounting Research,* 46, 467-728. **[Crossref]**

Bewick, V., Cheek, L., & Ball, J. (2003). Statistics review 7: Correlation and regression. Critical Care (London, England), 7(6), 451–459. **[Crossref]**

Budrina M. (2014). The Impact of IFRS Adoption on Accrual-Based Earnings Management: Evidence from Russia. University of OULU.

Cai, L., Courteney, S. and Rahman, A. (2008). The Effect of IFRS and its Enforcement on Earnings Management: An International Comparison. Social Science Research Network. **[Crossref]**

Chen, H., Tang, Q., Jiang, Y., & Lin, Z. (2010). The Role of International Financial Reporting Standards in Accounting Quality: Evidence from the European Union. *Journal of International Financial Management and Accounting* 21(3), 220-278. **[Crossref]**

Chen, Ken Y.; Elder, Randal J.; Hsieh, Yung-Ming. (2005). Corporate Governance and Earnings Management: The Implications of Corporate Governance Best-Practice Principles for Taiwanese Listed Companies, December.

Christensen, H., Lee, E., & Walker M., (2008). Incentives or Standards, What Determines Accounting Quality changes around the IFRS Adoption? A paper presented at the annual meeting of the American Accounting Association in Anaheim California 3-6 Aug 2008. *American Accounting Association.* **[Crossref]**

Daske, H., Hail, L., Leuz, C. & Verdi, R. (2008). Mandatory IFRS reporting around the world: Early evidence on the economic consequences. *Journal of Accounting Research* 46(5), 1085-1142. **[Crossref]**

Dechow P.M., Ge W. &Schrand C. (2013) Understanding earnings quality: A review of the proxies, their determinants and their consequences. *Journal of Accounting and Economics,* 50 (2-3): 344-401. **[Crossref]**

Denning, S. (2013). Big banks and derivatives: why another financial crisis is inevitable.www.forbes.com/sites.

Edogbanya, A. & Kamardin, H. (2014). Adoption of international financial reporting standards in Nigeria: concepts and issues. Journal of Advanced Management Science, 2(1), 72-75. **[Crossref]**

Ewert, C., Wagenhofer, A., (2005), Earnings quality metrics and what they measure, Working paper, University of Graz.

Ghasemi, A., & Zahediasl, S. (2012). Normality tests for statistical analysis: A guide for non-statisticians. International Journal of Endocrinology and Metabolism, 10(2), 486–489. **[Crossref]**

Ghosh, P. K. (2015). *Stock Price Adjustment to Corporate Accounting Disclosure : A Quantitative Study on Dhaka Stock Exchange (DSE), Bangladesh*. *5*(2). **[Crossref]**

Glaum, M., & Street, D. L. (2003). Compliance with disclosure requirement of Germany's new market: IAS versus GAAP. Journal of International Financial Management and Accounting, 14(1): 64-1000. **[Crossref]**

Gyasi, E.A. (2014), "Quality, Productivity and Economy in Welding Manufacturing" International Journal of Development and Sustainability ISSN:2168-8662 – www.isdsnet.com/ijds Volume 3 Number 8 (2014): Pages 1782-1793 ISDS Article ID: IJDS14070301

Hassan, S. U. (2015). Adoption of international financial reporting standards and earnings quality in listed deposit money banks in Nigeria. *Procedia Economics and Finance* 28 (1), 92-101. **[Crossref]**

Hayfa, C., Nadia, S.T., &Sarra, E.H. (2013). The Effect of IFRS on Earnings Quality in a European Stock Market: Evidence from France. Interdisciplinary Journal of Research in Business, 2(12), 35-47.

Houqe, M.N., T. Zijl, K. Dunstan and W. Karim (2012), « The Effect of IFRS Adoption and Investor Protection on Earnings‟ quality Around the World», *The International Journal of Accounting,* Vol., 47, pp. 333–355. **[Crossref]**

IASB. (2005). International Accounting Standard Board Report (2005)

Iatridis, G. (2010), « International Financial Reporting Standards and the quality of financial statement information», *International Review of Financial Analysis*, Vol. 19, pp. 193–204. **[Crossref]**

Ijeoma, N. & Oghoghomeh, T. (2015).Adoption of international public sector accounting standards in Nigeria: Expectations, benefits and challenges. Journal of Investment and Management, 3(1), 21-29. **[Crossref]**

Iyoha, F. O; &Jimoh, J., (2011). Institutional Infrastructure and the adoption of International Financial Reporting Standards in Nigeria. SSRN publications, 17-23.

Jaggi, B., & Li, C. (2004). Value relevance of earnings based on international accounting standards. Indian Accounting Review, 8 (1), 25-47.

Jaggi, B., & Li, C. (2004). Value relevance of earnings based on international accounting standards. Indian Accounting Review, 8 (1), 25-47.

John H. Boyd a, Hendrik Hakenes (2014) Looting and risk shifting in banking crises Journal of Economic Theory Volume 149, January 2014, Pages 43-64. **[Crossref]**

Kamardin, H., Ishak, R., &Zango, A. G. (2015). international financial reporting standards 7 (IFRS 7) compliance by listed banks in Nigeria *Asian Journal of Applied Sciences,* 3(6), 812-817

https://doi.org/10.61143/umyu-jafr.7(1)2024.002
ISSN: 2795-3831
E-ISSN: 2795-3823

Kemp, S. (2004). Bank hit by $180m scandal. The Age, 14 January, 6.

Kirk, R.J. (2005). International financial reporting standards in depth. Elsevier Linacre house. Jordan Hill, Oxford.

Leuz, C., Nanda, D., Wysocki, P., 2003. Earnings management and investor protection: An international comparison. Journal of Financial Economics 69, 505-527. **[Crossref]**

Madawaki, A. (2014). Adoption of International Financial Reporting Standards in Developing Countries: The Case of Nigeria. International Journal of Business and Management, 7 (3), 152 161. **[Crossref]**

Martin, M. F. (2019). Compliance with international financial reporting standards by Listed Companies in Uganda and Rwanda: Establishing Baseline. (Unpublished **master's thesis**), Ritsumeikan Asia Pacific University

Niclas, D.W. (2018) The level of compliance with International Financial Reporting Standards (IFRS 7). Evidence from the economic consequences of increased disclosure, Journal of Accounting Research 38, 91-124.

Nina, G; Bernhard; Kaserer, Christoph; Achleitner, Ann-Kristin (2009). Working Paper, International financial reporting standards and earnings Quality: the myth of voluntary vs. mandatory adoption Center for Entrepreneurial and Financial Studies.

Nwoye, U. J., Chidoziem, A. M., Obiorah, J., &Ekesiobi, C. (2017) Nigerian banks andglobal ranking:*the IFRS compliance impact, the Nigerian accountant,* 50(2), 28-37. **[Crossref]**

Odia, J.O., Ogiedu, K.O. (2013). IFRS Adoption: Issues, Challenges and Lessons for Nigeria and other Adopters. Mediterranean Journal of Social science, 4(3). **[Crossref]**

Pagliettl, P. (2009). Investigating the effect of the EU mandatory adoption of IFRS on accounting quality: Evidence from Italy. International Journal of Business and Management, 145-164. **[Crossref]**

Pagliettl, P. (2009). Investigating the effect of the EU mandatory adoption of IFRS on accounting quality: Evidence from Italy. International Journal of Business and Management, 145-164. **[Crossref]**

Rong-Ruey D. (2006), Convergence of Taiwan's Financial Accounting Standards with International Financial Reporting Standards: Past, Present and Outlook, Accounting Research and Development Foundation, Taiwan.

Street, D. L., & Gray, S. J. (2001). Observance of international accounting: factors explaining Non-compliance by companies referring to the use of IAS. London: ACCA Research Monograph No. 74.

Tan, C. &Morsfield, S., (2006). Do Venture Capitalists Influence the Decision to Manage Earnings in Initial Public Offering? The Accounting Review 81, 1119-1150. **[Crossref]**

Tan, C. W. (2005). Accounting for financial instrument: an investigation of preparer and user Preference for fair value accounting. PhD thesis, Murdoch University Perth, Western Australia.

Vargha, A., Bergman, L. R., & Delaney, H. D. (2013). Interpretation problems of the partial correlation with nonnormally distributed variables. Quality and Quantity, 47(6), 3391–3402. **[Crossref]**

Wael Mostafa, M Ibrahim (2016) Firm performance and earnings management, The value relevance of earnings, cash flows and book values Academy of Accounting and Financial Studies Journal 23 (3), 1-11

Yiadom, E. &Atsunyo, W. (2014). Compliance with international financial reporting standards by listed companies in Ghana. *International Journal of Business and Management*,10(9), 87-100. **[Crossref]**

https://doi.org/10.61143/umyu-jafr.7(1)2024.002
ISSN: 2795-3831
E-ISSN: 2795-3823

Zeghal, D., &Mhedhbi, K (2006).An analysis of the factors affecting the adoption of international accounting standards by developing countries. The international journal of accounting, 41,373 - 386. **[Crossref]**