IMPLEMENTATION OF INTERNATIONAL FINANCIAL REPORTING STANDARD AS A TOOL FOR PERFORMANCE OF NIGERIAN INSURANCE COMPANIES

Abstract

Implementation of international financial reporting standard (IFRS) in terms of quality financial reporting, information disclosure pattern, transparency, auditing, reporting standards, regulatory control and flexibility, corporate governance, and financial scandals have an influence on organizational performance. This study sought to investigate the influence of implementation of IFRS on organizational performance with specific reference to the Nigerian insurance industry. Purposive sampling method was used to select the accountants and auditors of twenty- nine (29) insurance companies listed on the Nigerian Stock Exchange (NSE) market, totaling 58 respondents. The data collection instruments for the study were structured questionnaires designed for the study. Data analysis was performed with the aid of descriptive statistical tools such as frequencies, percentages and mean, and inferential statistical tools such as Pearson Product Moment Correlation Coefficient and Ordinary Least Squares (OLS) method of estimation. The finding revealed that there is a strong relationship between financial performance and implementation of IFRS. The finding also indicated that implementation of IFRS has a significant influence on investment decision making. This connotes that the implementation of IFRS is a veritable tool to financial performance of Nigerian insurance companies. Subsequently, the study recommended that the management of insurance companies should embrace International Financial Reporting Standard (IFRS) with immediate effect so that the sector can attract both local and foreign investors. Also, National Insurance Commission (NAICOM) should sanction any insurance company fails to implement IFRS on or before the year 2020.

Keywords: IFRS, Quality Financial Reporting, Information, Financial Performance, Insurance

Introduction

International Financial Reporting Standard (IFRS) came to being as a result of inconsistency in reporting and poorly structured accounting standard which eventually led to dramatic collapse of big American corporations like Enron, WorldCom and Tyco. These scandals left the accounting profession in a "deep traces" in history. This situation turned the attention of the entire world on accounting firms [1]. This menace makes International Accounting Standards Board (IASB) to transit into the IFRS under the IASB to ensure full disclosure of matters concerning organization operations so as to aid investors in making investment decisions and improve organizational

performance. In line with this assertion, Anaja and Onoja [2] postulated that organizations owe a duty to fully disclose matters concerning their operations so as to aid investors in making investment decisions. Both large and small organizations in addition to satisfying the legislating requirement tend to retain existing investors and to attract potential ones through the publication of their financial reporting where the capital stock of a corporation is widely held and its affairs are of interest to general public relations. Wallace [3] saw financial reporting as the communication of financial information to various users of accounting information to make an investment decision, obtaining credit facilities, and other financing decisions.

Studies in both developed and developing nations have documented that financial reporting methods in terms of information disclosure pattern, transparency, auditing, reporting standards, regulatory control and flexibility, corporate governance, and financial scandals have an influence on organizational performance. Empirical studies affirmed that the adoption of IFRS makes it easier to monitor and control subsidiaries from foreign countries, as it reduces the amount of work, including that of~~and it takes to~~ remov~~e~~ing errors, meet~~ing~~ multiple regulations, and distribut~~es~~ing the information more effectively. This~~Also, it~~ would ~~make it eas~~greatly assist~~ier for all~~ companies to do business in foreign countries [2, 4]. Having recognized the need for IFRS adoption in both public and private sector in Nigeria, Nigerian Stock Exchange (NSE) directed all companies that are quoted on the exchange to ensure they adopt the IFRSs by December 2011 while the Central Bank of Nigeria (CBN) also directed financial institutions to adopt the IFRS by December 2010 [5]. In spite of this directive, most of the quoted organizations especially insurance companies still evade this regulation through fraudulent mechanisms [4]. Information gathered by Financial Vanguard reveals that most insurance companies have not commenced the implementation of IFRS. This implies that most insurance companies are still

ignorant of the benefits of IFRS, thereby limiting their knowledge about their financial position and above all their ability to use IFRS to make important investment decisions. As a current situation in the society of Nigeria, investment decisions in the insurance companies have been very slow due to the non-implementation of IFRS and other important financial records. Consequently, the sector has been experiencing distressed syndrome, while some are thinking of mergers and acquisitions. This is evidenced by the Nigerian Stock Exchange (NSE) that about 14 insurance companies now under threat of hostile take-over in the Nigerian Stock Exchange. No wonder why the sector could only contribute 0.7% toward Gross Domestic Product (GDP), which is very low compared to other markets such as South Africa with penetration levels of around 12% [6].

Prior studies [7, 8, 9, 10, 11, 12, 13] on the implementation of IFRS in both developed and developing countries focused on banks and manufacturing companies. It is observed that none of the research work dealt with the effects of the implementation of IFRS on the performance of insurance companies in Africa, especially in Nigeria. The omission of this in literature, therefore, will form a major gap in this study.

Research Questions

The study, therefore, intends to answer the following fundamental questions: What is the level of implementation of IFRS in Nigerian insurance companies? To what extent does the implementation of IFRS influence the performance of insurance companies? And does the implementation of IFRS has an influence on investment decision making by insurance companies?

Research Objectives

The main objectives are;

i.   To determine the level of implementation of IFRS in Nigerian insurance companies.

ii. To examine the influence of implementation of IFRS on the performance of insurance companies.

iii. To assess the influence of implementation of IFRS on investment decision making by insurance companies.

Conceptual Review

The introduction of quality financial reporting standards was initiated in 1973 when the international accounting standard committee (IASC) was formed by 16 professional bodies from different countries in Europe, America, Canada, Australia, and across the globe [14]. The process gained speed when the International Organization of Securities Commissions (IOSCO) endorsed the IASC standards for international listings in May 2000. It was further facilitated by a regulation approved in the European Union in 2002 required the preparation of consolidated (group) accounts of listed companies domiciled in the European Union in accordance with endorsed IFRS. In line with this quality financial reporting standards, Nigeria government through its agencies such as Central bank of Nigeria (CBN) and Nigerian Stock Exchange (NSE) directed all companies that are quoted on the exchange to ensure they adopt the IFRSs by December 2011 while the Central Bank of Nigeria (CBN) also directed financial institutions to adopt the IFRS by December 2010.

According to Alistair [15], IFRS is a series of accounting pronouncements published by the International Accounting Standard Board (IASB) to help prepare financial statements throughout the world, to provide and present high quality, transparent and comparable financial information. Essien-Akpan [16] argued that the components of IFRS financial statements include fair representation, accounting policies, going concern, the accrual basis of accounting,

109 consistency, materiality, off-setting, and comparatives. Fowokan [17] cited in Demaki [14]

110 identified the objectives of IFRS as follows: a) to work actively with the national setter to bring

111 about convergence of national accounting standards, b) IFRSs are designed for adoption by profit

112 oriented entities, c) IFRSs require that financial statements (FS) give a true and fair view of the

113 financial health of entities, d) to develop a single set of high quality understandable and

114 enforceable global accounting standard that requires transparent and comparable information in

115 financial statements, e) and to help participants in various capital market across the globe to

116 understand financial statements. Demaki [14] also argued that the implementation of IFRS will

117 position Nigerian companies in the global market place as well as ensure transparency,

118 accountability, and integrity in financial reporting in Nigeria which is a prerequisite for the

119 attraction of investment that will promote economic development. Studies revealed that

120 financial statements prepared under IFRS have better quality reporting., IFRS adoption also

121 attracted more investments from institutional shareholders and, managers in IFRS-adopting

122 countries tend to voluntarily disclose more to meet the higher demand for transparency from

123 these sophisticated investors [2, 4, 14, 15].

124

125 Empirical Review and Hypothesis Formulation

126 Relationship between the implementation of IFRS and organizational performance
127
128   Osiorenoya [4] determined the relationship between the implementation of IFRS in terms

129 of quality of financial reporting and profit after tax, return on asset, and return on equity. Data

130 collections were both forms primary and secondary sources. The study adopted the survey

131 research and cross-sectional research design. A well-structured questionnaire was used to collect

132 data from 350 respondents. Both descriptive and inferential statistics were employed to analyse

133   the data. The findings showed that there is a significant relationship between quality of financial

134   reporting and organizational performance measured by after tax, return on asset and return on

135   asset of the quoted companies in Nigeria. In a similar study, Badavar and Taghizadeh [18]

136   evaluated the relation between the quality of auditing and efficiency of investment in companies

137   registered at Tehran Exchange market. 100 companies were selected as sample for the 2006-

138   2011 period. The results showed that generally there is a positive and significant relationship

139   between the quality of auditing and organizational performance measured by investment

140   efficiency.

141   Muhammadi [19] investigated the relationship between financial reporting quality and

142   investment efficiency and the factors affecting the firms listed in Tehran Stock Exchange from

143   2009 to 2012. His results of statistical analyses on 93 firms in Tehran Stock Exchange showed

144   that the financial reporting quality had a significant and positive correlation with the investment

145   efficiency. He also found that there was a direct link between firm size, growth opportunities,

146   and cash holdings as well the tangibility of assets with investment efficiency. Adeyemi and

147   Asaolu [20] also examined financial reporting practices among post consolidation banks in

148   Nigeria and the subsequent stability of the banks. The study relies on secondary data collected

149   through in-depth content analysis of published annual reports and accounts of 13 out of the 21

150   banks quoted on the Nigerian Stock Exchange between 2005 and 2009. Reporting practices by

151   the banks were predicated on scores obtained from a Composite Disclosure Index (CDI)

152   computed from a checklist from SASs and Prudential Guidelines' requirements. The results

153   indicated a high level of compliance with the mandatory disclosure requirements for banks by

154   scoring high on the CDI (mean in excess of 90%). In addition, the regression results showed that

155   disclosure has a positive and significant influence on bank stability (as defined by ROA and

156 liquidity). In a study of Chen et al. [21] evaluated the relation between quality of financial

157 reporting and investment efficiency in privately-owned companies of developing markets. They

158 analyze the data from 79 countries in 2002. The results showed that the quality of financial

159 reporting for the fiscal year of 2005 is positively correlated to the efficiency of investment.

160 Evasion. In the same vein, Bushman and Smith [22] and Lambert et al. [23] inspected the

161 connection between financial related reporting quality and investment and found that expansion

162 in the financial reporting quality prompted increment in business proficiency.

163 However, the finding of Biddle, Hilary and Verdit [24] showed a negative association

164 between financial reporting quality and performance. In the same vein, Francis et al. [25] also

165 found out that the relationship between organizational performance measured by physical capital

166 efficiency coefficient and quality of financial reporting is statistically insignificant. Also, the

167 results of Verdi's studies [26] showed that the index of quality of financial reporting that is

168 named the quality of accruals has a correlation to low investment and highly aggregated

169 investment in negative ways. The study of Negash [27] also affirmed that a negative relationship

170 exists between financial reporting and organizational performance.

171 In view of these conflicting and inconclusive results, it is therefore hypothesized that:

172 H_{01}: there is no significant influence of the implementation of IFRS on organizational

173 performance.

174 Relationship between the implementation of IFRS and organizational performance

175

176 Bamidele, Ibrahim and Omole [7] investigated the effects of financial reporting quality

177 proxy by the implementation of IFRS on investment decision making by Deposit Money Banks

178 in reference to Zenith Bank Plc, Nigeria. Data obtained from the audited annual reports of Zenith

179 Bank Plc that covered a period of 2009 – 2016. The study utilised both descriptive and

180   inferential statistics to analyse the data. Results indicated that there is a strong relationship

181   between financial reporting quality and investment decision. Kapellas and Siougle [8] also

182   summarized evidence on literature about the effect of financial reporting practices on investment

183   decisions. They also affirmed that there is strong relationship between Financial Reporting

184   Quality and investment decision. In another study, Zayol et al [9] investigated the effect of

185   financial information on investment decision of shareholders of five selected banks in Nigeria

186   from 2009 to 2015. Results revealed that there is a positive relationship between financial

187   information and investment decision of shareholders of banks in Nigeria. Mahmoud [11] also

188   investigated the relevance of financial reporting quality reported by oil Listed firms in Nigeria

189   covered (2011- 2016). Results indicated that the financial reporting quality of listed oil firms in

190   Nigeria has a significant relevance to the users of the information.

191   Fariba and Mehran [13] examined the effect of financial reporting quality and investment

192   opportunities and dividend based on the decision making of insurance companies in Iran. They

193   found that, investment opportunities and quality of corporate financial reporting has a significant

194   relationship with dividend policy and investment decisions. In same vein, Nwaobia, et al [28]

195   explored financial reporting quality on investors' decisions using 10 selected manufacturing

196   companies listed on the Nigerian Stock Exchange Market covered a period of 2010-2014.

197   Correlation matrix, Vector auto regressive estimation, and Pooled OLS model were employed for

198   the analysis. They found that there was a positive association between investors' decision and

199   financial reporting quality. Anaja and Onoja [2] also analyzed the role of financial statements on

200   investment decision making in reference to United Bank for Africa Plc in Nigeria covered the

201   period of 10 years. They revealed that the transparency of financial statements of the bank has a

202   significant influence on the investment decision making of the users of financial statements.

203   However, Keyvan and Parastoo [12] evaluated the relationship between the quality of

204   reporting and efficiency of investment in companies registered at Tehran Stock Exchange Market

205   during 2010-2014. The population consists of manufacturing firms registered at Tehran Stock

206   Exchange and the statistical sample includes 126 companies. Results showed that there is a

207   negative and significant relationship between the quality of financial reporting and investment

208   decision. In a similar study, Chan-jane , Tawei and Chao-jung [29] investigated the association

209   between investment decisions and financial reporting quality in the context of family firms

210   versus non-family firms using a sample of listed firms in Taiwan from 1996 to 2011. Their

211   findings indicated that financial reporting quality is more negatively associated with family

212   firms' under-investment behavior.

213   Based on the above empirical studies, it is therefore hypothesized that:

214    $H_{02:}$ there is no significant influence of the implementation of IFRS on investment decision

215   making.

216   Methodology

217   This study adopted a survey descriptive research design which was concerned with determining

218   the frequency with which something occurs or the relationship between variables. Purposive

219   sampling method was used to select accountants and auditors of twenty-nine (29) insurance

220   companies listed on the Nigerian Stock Exchange (NSE) market, totaling 58 respondents. The

221   total population was used as a sample size since all of them can be reached. The data collection

222   instruments for the study were structured questionnaires designed for the study. To ensure

223   validity and reliability of the research instrument, the researcher ensured that the questions that

224   are asked are in conformity with the research objectives of the study and a pilot test of the

225   research instrument was conducted.

226   The research data were statistically analyzed by means of the Statistical Package for

227   Social Science (SPSS). Data analysis was performed with the aid of descriptive statistical tools

228   such as frequencies, percentages and mean, and inferential statistical tools such as Pearson

229   Product Moment Correlation Coefficient and Ordinary Least Squares (OLS) method of

230   estimation.

231   Model Specification

232   Mathematically, the models are expressed as follows:

233          $Y_1 = f(X_1,)$

234          $Y_2 = f(X_1,)$

235          $Y_1 = \beta_0 + \beta_1 X_1 + \mu_i$ -------(1)

236          $Y_2 = \beta_0 + \beta_1 X_1 + \mu_i$ --------- (2)

237   *Where:*

238   Y_1 = Financial Performance

239   Y_2 = Investment Decision

240   X_1 = Implementation of IFRS

241   β_0 = intercept

242   β_1 = regression coefficient

243   μ_i = stochastic error term

244

245   Results and Discussion

246   Table 1. Level of IFRS Implementation

Level of IFRS Implementation	Frequency	Percentage
Very high	4	6.8
High	5	8.7

Low	20	34.5
Very low	29	50
Total	58	100
Mean	31.12	
Standard Deviation	7.98	

247 Source: Author's Computation

248   Table 1 reveals that twenty nine (50%) respondents agreed that the level of IFRS

249 implementation in Nigerian insurance companies is very low. Twenty (34.5%) of respondents

250 agreed that the level of IFRS implementation in Nigerian insurance companies is low.   Five

251 (8.7%) of respondents agreed that the level of IFRS implementation in Nigerian insurance

252 companies is high, while only four (6.8%) of respondents agreed that the level of IFRS

253 implementation in Nigerian insurance companies is very high. The mean IFRS implementation

254 score of the respondents was 31.12 and standard deviation was 7.98. From this, it is clear that the

255 majority of Nigerian insurance companies did not implement IFRS. This implies that most

256 insurance companies are still ignorant of the benefits of IFRS, thereby limiting their knowledge

257 about their financial position and above all their ability to use IFRS to make important

258 investment decisions. This may the reason why the sector is not attracting both local and foreign

259 investors.   This is evidenced by EFiNA [30] that Nigerian insurance industry is still

260 underdeveloped and penetration of insurance is very low, with over 86.6 million Nigerians have

261 no form of insurance.

262   Deduction to be made from this finding is that, for Nigerian insurance industry to attract

263 both local and foreign investors, to achieve the vision to be the insurance industry of choice

264 among emerging markets, noted for high market capacity, transparency, efficiency and safety, to

265   attain the best position in insurance markets in the world by the year 2030, then they must adopt

266   and implement IFRS.

267   Table: 2 Descriptive Statistics of financial reporting

Statement	Observation	Mean	Ranked
The financial report of most insurance companies always complies with the international financial reporting standards.	58	2.80	7th
Most fraud in insurance companies is caused by a lack of implementation of IFRS	58	4.21	1st
Implementation of IFRS always ensures user of financial performance do not take the wrong investment and economic decision.	58	4.01	2nd
Prepares of the financial reports often resolve to manipulate financial reports because the IFRS is too rigid.	58	3.98	3rd
Disciplinary action by most regulatory bodies has not been able to completely eliminate the financial scandal in quoted insurance companies	58	3.87	5th
Falsification in the financial report can cause the liquidation of the company	58	3.03	6th
Financial reports do not usually satisfy all class of shareholders	58	3.89	4th

268   Source: Field Survey

269   Table 2 depicts that most fraud in insurance companies is caused by lack of the implementation

270   of IFRS which was ranked first with highest mean value of 4.21, followed by the implementation

271   of IFRS always ensures user of the financial performance do not take the wrong investment and

272   economic decision, Prepares of the financial reports often resolve to manipulate financial reports

273   because the IFRS is too rigid, the financial reports do not usually satisfy all class of shareholders,

274   and disciplinary action by most regulatory bodies has not been able to completely eliminate the

275   financial scandal in insurance companies with mean value of 4.01, 3.98, 3.89, 3.87 and 3.03

276   respectively. Falsification in the financial reports can cause the liquidation of the company was

277   ranked last with mean value of 2.80. This indicates that the implementation of the international

278   financial reporting standard in insurance companies is the only solution to the impediment facing

279   the sector.

280   Table 3: Descriptive Statistics of perceived finance Performance

Statement	Observation	Mean	Ranked
Implementation of IFRS can help investors determine the return on asset of their investment in Nigerian insurance companies.	58	4.31	1st
Compliance with IFRS and other professional auditing standards often guarantee profitability of the insurance companies	58	2.96	7th
The financial performance of Nigerian insurance companies has a direct relationship with the implementation of IFRS.	58	3.95	5th
Auditor's report helps to enhance financial performance and the value of return on asset.	58	4.02	4th
Implementation of IFRS can lead to an improvement in the return on equity	58	4.24	2nd
Most insurance companies often present financial statement that are understandable to all equity holders	58	3.76	6h
Presence of reliable accounting and internal control system can help to strengthen the value of return on equity.	58	4.09	3rd

281   Source: Field Survey

282   From table 3, the implementation of IFRS can help investors determine the return on asset of

283   their investment in Nigerian insurance companies was ranked first among the respondents with

284   the highest mean value of 4.31. Respondents also affirmed that the implementation of IFRS can

285   lead to the improvement of return on asset with mean value of 4.24 which was ranked second,

286   followed by presence of reliable accounting and internal control system can help to strengthen

287   the value of return on equity, auditor's report helps to enhance the financial performance and the

288   value of return on asset, financial performance of Nigerian insurance companies has direct

289   relationship with the implementation of IFRS , most insurance companies often present financial

290   statement that are understandable to all equity holders, and compliance with IFRS and other

291 professional auditing standards often guarantee profitability of the insurance companies with

292 mean values of 4.09, 4.02, 3.95, 3.76 and 2.96 respectively. Deduction to be made from this

293 finding is that the implementation of IFRS is an alternative paradigm to Nigerian insurance

294 performance.

295

296 Table 4: Descriptive Statistics of Investment Decision Making

Statement	Observation	Mean	Ranked
Implementation of IFRS reveals the competence of management of the company	58	4.24	2nd
Implementation of IFRS plays a significant role in investment decision making	58	4.31	1st
It is appropriate to relay on the ability of IFRS in forecasting future performance	58	3.95	4th
Implementation of IFRS by companies predict the future financial stand of companies	58	4.08	3rd
Implementation of IFRS helps users to know the state of affairs of the companies	58	2.96	5th

297 Source: Field Survey

298 Table 4 depicts that implementation of IFRS plays a significant role in investment decision

299 making was ranked highest with mean value of 4.3, followed by implementation of IFRS reveals

300 the competence of management of the company, implementation of IFRS by companies predict

301 the future financial stand of companies, it is appropriate to relay on the ability of IFRS in

302 forecasting future performance and implementation of IFRS helps users to know the state of

303 affairs of the companies with mean values of 4.2.4, 4.08, 3.95 and 2.96 respectively. This implies

304 that effective and efficient investment decision making is a determinant of IFRS implementation.

305 Testing of hypothesis

306 Hypothesis One

307 H01: There is no significant relationship between the quality of financial reporting and financial

308 performance.

309   Table 5: Relationship between the implementation of IFRS and financial performance

		IFRS	Performance
IFRS	Pearson Correlation	1	.900[**]
	Sig. (2-tailed)		.000
	N	59	59
Financial performance	Pearson Correlation	.900[**]	1
	Sig. (2-tailed)	.000	
	N	59	59
**. Correlation is significant at the 0.01 level (2-tailed).			

310

311   Table 5 indicates that implementation of IFRS ($r = 0.90$**; $p < .05$) has a positive and a

312 significant correlation with financial performance. This indicates that implementation of IFRS

313 has a significant relationship with financial performance. The study corroborates [7], [8], [9],

314 [10] and [29] findings, that the implementation of IFRS has a significant relationship with

315 financial performance. Therefore, null hypothesis is rejected while the alternative hypothesis is

316 accepted.

317 Hypothesis Two

318 H02: Implementation of IFRS has no influence on investment decision making.

319 Table 6: Influence of quality financial reporting on investment decision making

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	2.787	1	2.787	13.673	.000[b]
	Residual	11.620	57	.204		
	Total	14.407	58			

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.522	.559		4.513	.000
	IFRS	.446	.121	.440	3.698	.000

a. Dependent Variable: Investment Decision

320

321   Table 6 depicts that the implementation of IFRS ($F = (1, 57) = 13.673$; $t = 3.698$; $P =$

322   0.000) has a positive and significant influence on the investment decision making. This implies

323   that the implementation of IFRS is a major determinant of investment decision making. The

324   study is consistent with prior studies [7, 8, 9, 10, 11, 19] that the implementation of IFRS had a

325   significant and positive correlation with investment decision making. Therefore, the null

326   hypothesis is rejected while the alternative hypothesis is accepted.

327   Conclusion and Recommendations

328   Based on the findings, the study established that the level of IFRS implementation in Nigerian

329   insurance companies is very low. This implies that most insurance companies are still ignorant of

330   the benefits of IFRS, thereby limiting their knowledge about their financial position and above

331   all their ability to use IFRS to make important investment decisions. The study also confirmed

332   that a positive relationship exists between the implementation of IFRS and financial

333   performance. The study also affirmed that the implementation of IFRS has a significant influence

334   on the investment decision making. The study finally concluded that the implementation of IFRS

335   is a veritable tool to the performance of Nigerian insurance companies. Subsequently, the study

336   recommended that management of insurance companies should embrace and implement IFRS

337   with immediate effect so that the sector can attract both local and foreign investors. Also,

338   National Insurance Commission (NAICOM) should sanction any insurance company fails to

339   implement IFRS on or before year 2020.

340

341   References

342   1. Mrisho, S. (2014). The role of financial information in investment decision making: a
343   case study of PSPF. Master Thesis of Mzumbe University.

344

2. Anaja, B and Onoja, E.E .(2015).   The role of financial statements on investment decision making: A case of United Bank for Africa Plc. *European Journal of Business, Economics and Accountancy* Vol. 3, No. 2; 12 – 37.

3. *Wallace, R. S. O. (1988). Corporate Financial Reporting in Nigeria.AccountingandBusiness Research, 18 (72), 352-362.*

4. Osiorenoya, S.P (nd). Impact of Financial Reporting On Financial performance of Quoted Companies in Nigeria. M.Sc Thesis of Redeemed University, Ede, Nigeria.

5. Egedegbe, M. (2009). Adoption of IFRS on the NSE, Retrieved from http://www.stockmarketnigeria.com/2009/04/21/adoption_of_ifrs_on_the _rise.

6. Adeyemi, A.Z., Unachukwu, J.C., and Oyeniyi, K.O (2017). Capital Structure and Its Effect on the Financial Performance of Nigerian Insurance Industry. *International Journal of Business & Law Research 5(3):8-15.*

7. Bamidele, M. M., Ibrahim, J., and Omole, I.I (2018). Financial Reporting Quality And Its Effect On Investment Decisions By Nigerian Deposit Money Banks. European Journal of Accounting, Auditing and Finance Research Vol.6, No.4, pp.23-34.

8. *Kapellas . K and Siougle .G (2017) Financial Reporting Practices and Investment Decisions. A Review of Literature. Industrial Engineering and Management (6) 4: 1-9.*

9. *Zayol, P.I,Agaregh T and Eneji, B.E (2017), Effect of Financial Information on Investment Decision Making by Shareholders of Banks in Nigeria . IOSR International journal of Economics and Finance (8)3,: 20-31.*

10. Adebiyi. W.K (2017) Board Composition and Financial Reporting Quality of Deposit Money Banks in Nigeria. *International journal of innovative finance and economic research*. 5 (4) ; 97-104.

11. Mahmoud I (2017) Financial Reporting Quality Reported By Oil Listed Firms in Nigeria; An Empirical investigation. International Journal of Science Research in EducationalStudies and Social Development (1)1; 150- 162.

12. Keyvan, H and Parastoo, S. (2016). An evaluation of the links between quality of reporting and efficiency of investment in companies listed at Tehran Stock Exchange. Problems and Perspectives in Management, 14(3), 341-347.

13. Fariba S and Mehran .A (2016) Effect of Financial Reporting Quality and Investment Opportunities and Dividend based on Decision Making of Insurance Companies in Iran. *Caspain Sea Journal (10)1: 133-137.*

14. Demaki, G. O. (2013). Prospects and Challenges of International Financial Reporting Standards to Economic Development in Nigeria. *Global Journal of Management and Business Research*. 13(1); 25-46.

15. Alistair, (2010): IFRS: Historical Background. In Essien-Akpan (Ed). IFRS: The Role of Chartered Secretaries and Administrators. Paper presented at 35th Annual Conference of ICSAN. Lagos Sheraton Hotels and Towers, October 26th and 27th, 2010.

16. Essien-Akpan I. (2011). The International Financial Reporting Standards (IFRS). The Role of the Chartered Secretary and Administrator. A paper presented at the 35th Conference of ICSAN. Lagos Sheraton Hotels and Towers. October 26th and 27th.

17. Fowokan, T. (2011), IFRS adoption in Nigeria- Tax Implications. CITN seminar paper on IFRS adoption in Nigeria.

388   18. Badavar Nahandi, Y. & Taghizadeh Khanqah, V. (2013). The Relationship between
389   Audit Quality and Investment Efficiency, *The Iranian Accounting and Auditing Review*,
390   20 (2), pp. 19-42.
391   19. Muhammadi S.M (2014) The Relationship Between Financial Reporting Quality and
392   Investment Efficiency and the factors Affecting the Firms listed in Tehran Stock
393   Exchange. *International Journal of academic Research in Business and Social Sciences*
394   *(4)6 :104- 113.*
395 20.   Adeyemi, A. A and Asaolu, T. (2013). An empirical investigation of the financial
396   reporting practices and banks' stability in Nigeria. *Kuwait Chapter of Arabian Journal of*
397   *Business and Management Review Vol. 2, No.5; 157 – 181.*
398 *21.*   Chen, F., Hope, O.-K., Li, Q. & Wang, X. (2010). Financial Reporting Quality and
399   Investment Efficiency of Private Firms in Emerging Markets, *Social Science Electronic*
400   *Publishing*, 55 p. doi:10.2139/ssrn.1635425.
401 *22.*   Bushman, R. & Smith, A. (2001). Financial Accounting Information and Corporate
402   Governance, *Journal of Accounting and Economics*, 32 (1-3), pp. 237-333.
403 *23.*   Lambert, Richard, Leuz, Christian and Verrecchia, Robert E. (2007):"Accounting
404   information, disclosure and the cost of capital", *Journal of accounting research*, vol.45,
405   no.2, p.385-420.
406 24.   Biddle G. C, Hilary G and Verdi, R. S (2009). How Does Financial Reporting Quality
407   Relate to Investment efficiency? *Journal of Accounting and Economics,* 48(2009): 112-
408   31.
409 25.   Francis, J., LaFond, R., Olsson, P. & Schipper, K. (2005). The Market Pricing of
410   Accruals Quality, *Journal of Accounting and Economics*, 39 (2), pp. 295-327.
411   doi:10.1016/j.jacceco.2004.06.003.
412 26.   Verdi, R. (2006). Financial Reporting Quality and Investment Efficiency. *Unpublished*
413   *PhD Dissertation, Faculties of the University of Pennsylvania in Partial Fulfillment, oR*
414   *Working Paper*. doi:10.2139/ssrn.930922
415 27.   Negash, M 2008,' Liberalization and the Value Relevance of Accrual Accounting
416   Information: Evidence from the Johannesburg Securities Exchange', Afro Asian Journal
417   of Finance and Accounting, Volume 1 No. 1 pp 84-101.
418 28.   Nwaobia, A. N., Kwarbai, J. D, Jayeoba O.O and Ajibade A,T (2016) Financial
419   Reporting Quality on Investors' Decisions. *International journal of economics and*
420   *financial research. 2 (70) ;140-147.*
421 *29.*   Chan-Jane, L., Tawei, W. and Chae-Jung, P. (2015). Financial Reporting Quality and
422   Investment.
423 30.   EFiNA (2012). Access to Financial Services in Nigeria. Retrieved from
424   *www.efina.org.ng/assets/.../EFInA-A2F-2012-surveyFGDKey-Findings.*