

International Financial Reporting Standard Adoption and Value Relevance of Earnings in Listed Consumer Goods Companies in Nigerian

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Abstract : This research work examines the International Financial Reporting Standard (IFRS) adoption and value relevance of earnings of listed consumer goods companies in the Nigerian. The population of the study comprises 22 listed consumer goods companies, out of which 15 were selected as sample size of the study. The scope of the study is a 12-year period covering from 2006 to 2018. Secondary data from the annual report of sampled companies were used, which consists of earnings per share (EPS), the book value of equity per share (BVE) as independent variables; firm size (FSZ) as a control variable, and market share price of sampled companies from Nigerian stock exchange as dependent variable. Multiple regressions were used to analyze the data. The results of the study showed that IFRS did not improve the value relevance of earnings after the adoption, which translates to a decrease in value relevance of accounting numbers in the post-adoption period. The major recommendation is that the Nigerian Reporting Council should ensure full compliance to all provisions of IFRS and provide uniformity in the presentation of non-current assets in the statement of financial position, where some present only net current assets leaving individual figures for current assets and liabilities invisible.

Keywords : IFRS, adoption, value relevance, earning per share, book value of equity per share

Conference Title : ICEBMSS 2021 : International Conference on Economics, Business Management and Social Sciences

Conference Location : Dubai, United Arab Emirates

Conference Dates : January 28-29, 2021