GLOBAL ACCOUNTING CONVERGENCE: QUALITY, ACCEPTABILITY AND ENFORCEABILITY OF IFRS IN NIGERIA

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ABSTRACT

In view of the pressing demands to converge with IFRS as the international accounting benchmark and to serve as common global accounting language, coupled with the concerns expressed by critics over its uniform suitability and relevance in diverse economic, political and institutional settings across the globe, it is increasingly significant to empirically investigate; the quality, acceptability and enforceability of the International Financial Reporting Standards (IFRS) in countries of different settings. Therefore, this study investigates the perception of financial reporting users and preparers on global accounting convergence in terms of IFRS quality, IFRS acceptability and IFRS enforceability in Nigeria. Data was collected using online and self-administered survey approach. Based on the empirical findings, it was concluded that despite the possible issues and challenges associated with convergence to IFRS, it could yet be considered as a right step, in a right direction and at a right time for Nigeria. Convergence to IFRS is in the best interest of the country in order to tap its full economic potential and her deserving leadership within the global financial market. It has been proven that convergence to IFRS has positive impact to the country's reporting system with improvement in reporting quality leading to reduction in income smoothing, and increased in value relevance of reported income.

Keywords: International Financial Reporting Standards, convergence, quality, acceptability, enforceability.

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IFRS	International Financial Reporting Standards
IASB	International Accounting Standard Board
NASB	Nigerian Accounting Standard Board
FRC	Financial Reporting Council
IASC	International Accounting Standard Committee
IFAC	International Federation of Accountants
SAS	Statement of Accounting Standards
GAAP	Generally Accepted Accounting Principles

CHAPTER ONE

INTRODUCTION

This chapter tries to explain the general overview of the whole work, and it is arranged as follows: background of the study, problem statement, research questions and objectives, significance of the study, scope and limitations as well as organization of the study.

1.1 Background of the Study

The globalization of financial markets, the interconnectivity of the global economies, and how no country can declare self-reliance on its activities without depending on another country have intensified the clamour to develop a common language in accounting reporting, so that stakeholders within and outside the country can fully understand what the contents of financial reports depict. Considering the old maxim "accounting is the language of business", then enterprises around the globe cannot afford to be speaking in different languages while communicating the financial information of their activities to one another. Thus, a uniform set of accounting standards is needed to enhance the understandability and comparability of the firms' financial reporting across the world (Ojeka & Dickson, 2011).

IFRS are designed as a common global language for the company's activities in order to improve the quality, understandability and comparability of financial reporting across International boundaries. The standards are meant to attain three fold objectives. Firstly, to help in standardizing the diverse accounting policies prevailing around the globe and remove the incomparability of financial statements within and across entities. Secondly, they facilitate the presentation of high quality, transparent and comparable information in financial statements. Thirdly, they reduce the accounting alternatives and thereby eliminate the element of subjectivity in financial statements (Chakrabarty, 2011).

The responsibilities for setting IFRS, promoting it and ensuring its application, lie in the hand of the International Accounting Standard Board (IASB), an autonomous and privately funded body based in the UK (London) (Okoro, 2011). The body assumed these responsibilities in March, 2001 from its predecessor, the International Accounting Standards Committee (IASC), whose formation was as a result of agreement by some eminent professional accounting bodies in Australia, UK, USA, Canada, Japan, Ireland, France, Germany, Mexico and Netherland and IASC operated between June 1973 to April 2001, (Celluci, 2011). In 1977, the International Federation of Accountants (IFAC) was also formed, to among other issue, guide for high quality performance by professional accountants, establish global standards on ethics, auditing and assurance via its accounting standards setting boards. Hence, the mandate given to IASC (now IASB) to single handedly issue International Accounting Standards was as a result of unanimous agreement between IFAC and IASC in 1981 (Celluci, 2011). Therefore, IASB has its functions clearly spelled out for itself.

Global accounting standards convergence has been widely debated by different researchers; proponents of this uniform global set of standards assert that IFRS improve accounting information quality, reduce information differences and cost of capital, increase transparency and comparability (Madawaki, 2012). Moreover, they facilitate accessibility to foreign capital by local companies, (Ihsan, 2012), achieving greater comparability, efficient allocation of resources, reduction in the cost of capital, increase willingness to invest across borders, and higher economic growth can be fully realized through convergence to one single, high quality, globally accepted standard (Wong, 2004).

Chakrabarty (2011), states that global accounting convergence makes comparison between firm operating in diverse jurisdictions possible and eliminate a frictional tendency of capital inflows, thereby leading to flourishing cross border investment and boosting investors' confidence. The researcher added that although it would be onerous and expensive for firms operating in several countries to comply with different national accounting standards and converge it into a single set of standards for the purpose of consolidated financial reporting; yet convergence would consequently result in cost of capital reduction as well as lowering the compliance cost for the enterprise in the long run. However, the opponents on the other hand, argue that single set of global Financial Reporting Standards cannot eliminate the differences in national business practices due to cultural, institutional and political differences (Iyoha & Faboyed, 2011; Okoro, 2011; Hail, Leuz & Wysocki, 2009).

Since 2001, many countries around the world have already converged with IFRS for corporate financial reporting, and some are still weighing their options, while many others Nigeria inclusive are in the process of achieving convergence. However, Nigeria has already fallen behind her self-imposed timelines for achieving certain actions on her transition plan from Statement of Accounting Standards (SAS) to IFRS (IFRS), which was to commence by January 2012 (Okoro, 2011). This however, raises a concern whether these global standards would be feasible in Nigeria.

It is against this background, this research work tries to investigate the feasibility of this standards by assessing the degree to which IFRS reinforces the quality of Nigerian reporting practices, to assess the level of acceptability among preparers and users of financial statements in Nigeria as well as the enforcement mechanism available to make the transition effective and rewarding.

1.2 Problem Statement

In view of the pressing demands to converge with IFRS as the international accounting benchmark and to serve as common global accounting language, coupled with the concerns expressed by critics over its uniform suitability and relevance in diverse economic, political and institutional settings across the globe (Liu,Yao, Hu & Liu, 2011), it is increasingly significant to empirically investigate; the quality, acceptability and enforceability of International Financial Reporting Standards (IFRS) in countries of different settings.

The study by Hail et al. (2009), substantiates the above assertion. It was found that the transition from US Generally Acceptable Accounting Principles to IFRS would mean a seismic shift to the country's accounting standards that exist for decades, and this creates contemplation in the mind of US Securities Exchange on whether this shift would translate into improved quality of companies' reporting practices in the country. It was, however, revealed that, it is uncertain if the convergence from US GAAP to IFRS would substantially influence reporting quality, this is because the accounting standard does not by itself guarantee reporting quality but other factors like institutional infrastructure and enforcement strategies, users' acceptability, firm's activities and government practices also contribute towards achieving high quality of corporate financial reporting (Hail et al., 2009). Moreover, there were mixed opinions on the issue of convergence to IFRS at a conference organized by US Security and Exchange on 7 July, 2011. While small and medium sized enterprises were not persuaded because of the cost implication, investors were largely indifferent, while analysts applauded the idea (Okoro, 2011).

Like many other developing countries, Nigeria has expressed her intention to shift and even started the convergence process per se from its national accounting standards (commonly known as SAS) to IFRS. This may be considered as a welcome development, but it raises the questions of; does switching to IFRS reinforce the financial reporting quality in Nigeria, what is the degree of acceptability of IFRS to its users and preparers in Nigeria and does the country have sound enforcement mechanisms in place to make the transition effective and rewarding. This is found imperative in view of the fact that the country has already fallen behind her self-imposed timelines for achieving certain actions on her transition plan from SAS to IFRS, which was to commence by January 2012 (Okoro, 2011; Iyoha & Jafaru, 2011). So far only a fraction of Nigerian listed companies have started to comply with the deadline (Okpala, 2012), while many others have not, in spite of the timelines set that requires all publicly listed entities and significant public entities to converge with the global standards by January 2012 (NASB, 2010).

Moreover, a recent survey conducted by the Association of Chartered Certified Accountants (ACCA) has reaffirmed the above claim but implied that Nigeria is not the only country with sluggish adoption attitude, similar experience is being faced in some other countries e.g. US (National Mirror, 2012). Therefore, considering these assertions, the situation seems to suggest an element of doubt on the perceived quality and feasibility of these standards in the country and also suggests that the timeline set for the convergence is no longer realistic. Hence, there may be a need for Nigerian policy makers to revisit their decision of achieving full conversion by 2014 as par the transition roadmap.

To this end, this observed reluctance to comply drives the researcher to assess the global accounting convergence in terms of IFRS quality, IFRS acceptability and IFRS enforceability in Nigeria. In doing this, the study seeks to answer the following research questions

1.3 Research Questions

1) What is the level of acceptability of IFRS in Nigeria?
2) What are the enforcement mechanisms put in place to make IFRS convergence effective and rewarding?
3) To what extent convergence to IFRS reinforces financial reporting quality in Nigeria?

1.4 Research Objectives

The prime objective of this study is to assess the global accounting standards convergence: quality, acceptability and enforceability of IFRS taking Nigeria as a case study.

Specifically, the study intends to achieve the following objectives:

1) To assess the level of acceptability of convergence to IFRS in Nigeria.
2) To assess the enforcement mechanisms put in place to make convergence to IFRS effective in Nigeria.
3) To assess the extent to which convergence to IFRS reinforces financial reporting quality in Nigeria.

1.5 Significance of the Study

The decision to converge or not to converge with IFRS have generated and still generating contentious views not only amongst professionals but also scholars and practitioners in both public and private sectors (Arnold & Sikka, 2001).

In Nigeria, quite a number of studies have been carried out on the potential adoption of IFRS in the country. Most of these literatures dwell more in explaining the benefits of converging with IFRS, which include; cross border capital transfer and reduction in the cost of capital, enabling comparison of financial performance, boosting confidence of users of financial reports and reduction in the cost of reporting, enabling access to international markets and strengthening the quality of financial reports, reduction in the cost of auditing, enhancing mergers and acquisitions (Madawaki, 2012; Oyedele, 2011; Ojeka & Dickson, 2011; Iyoha & Faboyede, 2011; NASB, 2010),s among others. Other studies point out the major problems associated with adoption of IFRS in Nigeria to include; low level of awareness, lack of adequate qualified accountants and auditors, high compliance costs, lack of technological infrastructures, lack of solid commitment by US to converge with IFRS as it is the Nigerian's major trading partner (Oyedele, 2011; Okoro, 2011; NASB, 2010).

However, none of the previous studies to the researcher's knowledge clearly tries to examine the feasibility of IFRS from the perspectives of its quality to the Nigerian reporting system, and acceptability from its preparers and users, while literature on the enforcement mechanism put in place in the country to make the adoption possible seems to be dearth.

In view of the forgoing, this study deems it imperative to assess how IFRS improves reporting quality, how acceptable are these global accounting standards to its preparers and users in Nigeria and the enforcement mechanism employed to ensure its feasibility to the Nigerian environment. By so doing, the study would provide clear insight for policy makers in Nigeria to make firm commitments to converge with IFRS or decide to stick to the national GAAP. The belief is that the situation in Nigeria seems to suggest the need for the policy makers to revisit their decision of achieving full conversion by 2014 as per its transition roadmap. To date, not all the Nigerian listed companies started to comply with the stiplulated deadline (Okpala, 2012), despite the timelines set that requires all publicly listed entities and significant public entities to converge with IFRS by January 2012. Subsequently, it is expected that the study would make additional contributions to knowledge towards understanding the feasibility of IFRS in countries of different settings and serves as a reference material for future researchers.

1.6. Scope and Limitations of the Study

The study on the issue of IFRS convergence is normally directed either at continental level, country level or based on the economic strength of the countries (i.e. developed or developing economies). Therefore, this study focuses on Nigeria, as a country and as one of the developing nations in the world in the process of converging with IFRS. The variables that need to be measured in the study are: 1) acceptability of IFRS in Nigeria; 2) enforceability of IFRS in Nigeria, while the dependent variables are global accounting convergence as well as IFRS quality in Nigeria.

Nevertheless, it should be noted that re-examination of the same variables or any of the variables may generate different results as a result of passage of time. Moreover, the conclusions in the study could be difficult to generalize especially to other countries exhibiting diverse socio-economic and socio-political characteristics. These constitute limitation of the study.

1.7. Organization of the Project Paper

This project paper would be split into five chapters. Chapter One gives the general introduction of the whole work. The chapter comprises of the introduction/background of the study, problem statement, research questions, research objectives, significance of the study, scope and limitations of the study.

Chapter Two discusses prior literatures relevant to the concepts of the variables considered in the study.

Chapter Three discusses the method and techniques used in data collection for the study. It consists of research framework, hypothesis development, research design, operational definition, measurement of variables/instrumentation, data collection, sampling, data collection procedures, and technique of data analysis. Furthermore, Chapter Four gives the empirical results, findings and analysis of the study. Finally, Chapter Five presents discussion, conclusion and recommendations for future research.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

In connection with the discussion in Chapter One, this research work tries to assess; the level of IFRS acceptability among preparers and users of financial reports in Nigeria and enforcement mechanism put in place to make the transition effective and rewarding as well as the extent to which convergence to IFRS reinforces reporting quality in Nigeria. Therefore, this chapter discusses the above identified variables based on the review of prior relevant literatures.

The chapter has been streamlined as follows: a brief overview of accounting standard setting, overview of Nigerian institutional and regulatory accounting standards bodies, prior studies on global accounting convergence, subsequent to this is the review of prior studies on acceptability of IFRS convergence which is also in line with the researcher's first research question and first research objective, followed by prior studies on the IFRS enforceability to help the researcher in achieving the second research objective and answer the second research question. Finally the chapter concludes with prior studies on IFRS Quality; this is deemed relevant as it helps in achieving the researchers' third research objective and answers third research question.

2.2 Overview of the Accounting Standard Setting

Ordinarily, the development of accounting standards is determined by the existence and availability of professional accounting bodies in a country, particularly where the common law system of accounting is practiced (Gyasi, 2010).

Accounting Standards are said to be an authoritative declaration issued by legally recognized professional accountancy bodies in order to eliminate the area of discrepancies in the accounting practices. They are meant to be the customs and norms of accounting policies and practices to dictate how financial statements should be prepared and presented in corporate annual reports (Bhagaban, Shil & Pramanik, 2009). For the standard setting process to be effective, it requires openness, independence, and neutrality (Christine, Dustan, & Stanley, 1999).

In a study by Jeppensen (2009), it was stated that accounting standard setting activity involves four distinct principles that need to be applied: the principle of expertise, principle of representation, principle of user orientation, and principle of participation. He added that, it is only when expertise is applied that actors in the standard setting activity are considered as neutral; when principle of representation is observed actors in the standard setting process are considered to be perfect representatives, especially in the case of political process where decision has to be adopted by simple majority; the application of user orientation principle allows the users of the standard to indirectly influence accounting standard setting process by expressing their opinions through representatives or experts; and lastly accounting setting activity may also be structured based on the principle of participation where users of the standard are allowed to directly get involved in the standard setting activity (Jappensen, 2009).

The study by Ochoa (2009), asserts that, more often than not, accounting standard setting is often designed under complex regulatory system, which makes compliance difficult unless forceful enforcement mechanism is applied. However, the claim by Ochoa (2009), is contrary to the situation in accounting standard setting in Nigeria, but in line with studies by Gyasi (2010); Jappensen (2009); Christen et al. (1999) as evidenced above.

In Nigeria, accounting standards are designed and issue through a procedure called "due process". The procedure allows careful observation of national laws, enables wide consultations, and considers accounting standards and practices of other countries and that of the International Accounting Standards Board (NASB, 2011). The process usually involves selecting a topic that needs to be standardized in response to recommendations from experts, academia, the business community, and sometimes council members of the Nigerian Accounting Standard Board. A committee made up of experts from both private and public sectors and professional sectors of the economy is then set to deliberate and come up with exposure draft for consideration and endorsement by governing council of Nigeria Accounting Standards Board. A simple majority is needed to vote in favor of the draft before it is released to the public for comments, usually an exposure period last for 3 months in order to give the public the opportunity to express their opinions on the proposed standard. Modification may be made based on the public comments and afterwards declare it as statement of Accounting Standard (NASB, 2010). Once a standard is issued it becomes binding on all the companies to comply, as stipulated by Nigerian Companies' and Allied Matters Act of 1990 (World Bank, 2004).

2.3 Overview of the Nigerian institutional and regulatory Accounting Standard Bodies

There are a number of laws and institutions in Nigeria responsible for the regulation and enforcement of financial reporting, accounting and auditing requirements in the country. But these accounting and auditing practices suffer from weak institutional and enforcement infrastructures that will ensure proper regulation and compliance of rule and standards (World Bank, 2004), and this raises the concern on whether the country has proper enforcement mechanisms to make the journey to IFRS rewarding and effective. Subsequently, although IFRS are global standard, but domestic rules to a certain extent still govern within every country. This is because IFRS lacks enforcement capabilities and unless supported and adopted by local regulatory and other relevant institutional bodies, the standards cannot be found effective (Iyoha & Jimoh, 2011). Therefore, understanding the roles and the strength of these institutions in Nigeria would determine the country's capability in having a hitch free transition to IFRS.

2.3.1. Companies and Allied Matters Act (CAMA) 1990

CAMA 1990 is the legal framework for the Nigeria corporate accounting and auditing practices. The law has numerous provisions which include prescription of format, content, preparation and presentation of financial statement. CAMA requires compliance with the Nigerian SAS, and in some instances it is not consistent with IAS/IFRS (World Bank, 2004). Therefore, IFRS adoption in Nigeria may require amendment in the existing Companies Act.

2.3.2 Nigerian Securities and Exchange Commission (SEC) & Nigerian Stock Exchange Market (SE)

The SEC rules and regulation 1999 and the investment and securities Act 2007 mandate SEC to regulate the participants in the Securities Market in Nigeria. While SE Act 1961 made Nigerian Stock Exchange Market self-regulating institution responsible for supporting the activities of SEC, supervising the activities of securities market, and control the second tier capital market (NASB, 2010; World Bank, 2004). The role of these institutions in the IFRS adoption in Nigeria is also paramount (Iyoha & Jimoh, 2011).

2.3.3 Central Bank of Nigeria (CBN)

The Central Bank of Nigeria is the main statutory regulator of banks and non-banking financial institutions under the terms of the Banks and Other Financial Institutions Act (BOFIA) 1999. The Act prescribes the guidelines for the preparation of bank financial statements in addition to what is being required by CAMA. All audited financial statement according to the Act must be tendered to CBN within 4 months of year end for approval. The CBN governor may, for many reasons, order the re-examination of the company's financial book of affairs (World Bank, 2004). Therefore, these regulatory roles of CBN make it indispensable in IFRS adoption and compliance in the country.

2.3.4 The National Insurance Commission (NAICOM)

This establishment regulates financial reporting practices of insurance companies under the Nigerian Insurance Act of 2003. All the insurance companies in Nigeria are required within six months of the end of their financial year submit their audited financial report for approval to NAICOM (Iyoha & Jimoh, 2011). This financial reporting regulatory role makes NAICOM relevant in IFRS adoption and compliance.

2.3.5 The Institute of Chartered Accountants of Nigeria (ICAN) and Association of National Accountants of Nigeria (ANAN)

The Institute of Chartered Accountants of Nigeria (ICAN) and the Association of National Accountants of Nigeria (ANAN) are the two Accountancy bodies responsible for the production of professional accountants in Nigeria (World Bank, 2004). They are also involved in ensuring that members maintain high professional conduct in the discharge of their professional duties through continuing professional program and ethical awareness (Iyoha & Jimoh, 2011). The relevance of these accountancy bodies in IFRS observance in Nigeria cannot be over emphasized.

2.3.6 Financial Reporting Council/ Nigerian Accounting Standards Board (NASB)

The board was established under Nigerian Accounting Standards Board (NASB) Act of 2003. It was originally formed in 1982 as a private sector institution until 1990 when the Nigerian government took over the activities of the institution and became answerable to Federal Ministry of Commerce. The membership of the board includes representatives from government and other relevant groups. The roles of Financial Reporting Council include: establishment of accounting standards, promoting it and ensuring its compliance in the country. To this end, NASB/FRC is required to give all the necessary supports to the enforcement of IFRS in Nigeria. But based on its existing situation the degree to which its role would be relevant to IFRS application remains the question that demands for an answer (Iyoha & Jimoh, 2011).

Consequent to the above, Report on the observance of standards and code (World bank, 2004), identifies some challenges associated with some Nigerian institutional framework in ensuring proper enforcement of accounting and auditing standards in Nigeria. These include; NASB/FRC lacks enough resources to accomplish its mandate; SEC is ineffective in ensuring compliance with reporting requirements; NAICOM is incapable of monitoring and ensuring compliance with the insurance companies' reporting requirements; and there is a delay in the legal processes, which often demoralize regulators from prosecuting an errant (World Bank, 2004). These situations suggest the need for changes in the enforcement system in Nigeria, otherwise the transition to IFRS would not be a success journey in the country.

2.4 Prior Studies on Global Accounting Convergence

The idea of accounting standards convergence is not a ground-breaking of 21st century, but can be traced back to the 19th century when the notion of international standards took root during the 1st international congress of accountants in 1904 (Bhagaban et al., 2009). In the 1950s, in response to integration of economies and improvement in cross border trade after the World War II, the idea of convergence also deepened (FASB, 2011). The call continued until 1966 when renowned professional accountancy bodies of the world namely; the Institute of Chartered Accountants of England and Wales, Association of Certified Public Accountants of America, and Canadian Institute of Chartered Accountants came together to deliberate on the need to have International Accounting Standards. The meeting was chaired by the then president of Institute of Chartered Accountant of England and Wales in person of Sir Henry Benson. According to them, after extensive discussion the bodies decided to form a study group to carry out comparative studies on accounting practices amongst the participating states.

During the eleven year life span of the group, about 20 studies were performed on accounting and auditing issues and subsequently, the group resolved to establish International Accounting Standards (Das, Shil, & Pramanik, 2009). The establishment of International Accounting Standards led to the formation of the International Accounting Standards Committee (IASC) in 1973, a committee that was saddled with responsibilities of setting International standards. This was as a result of the consensus by the sixteen professional accounting bodies from; Australia, UK, USA, Canada, Japan, Ireland, France, Germany, Mexico and Netherlands (FASB, 2011). Part of the success story of IASC was its ability to develop 41 different set of standards to take care of different financial reporting matters.

Although, promoting these established standards, ensuring its application and achieving universal harmonization had not been a complete feat, forasmuch as IASC lacked the power to enforce international standards on various countries (Gyasi, 2010). But as financial markets are becoming more global, world economies are becoming more interconnected, couple with the fact that no country can brag "self-reliance" without depending on another country Ejeka and Dicson (2011), the situation further suggested the need to improve the activities of IASC in order to achieve the objective of global accounting harmonization. In 2001, as part of the effort, IASC was restructured and renamed to International Accounting Standard Board (IASB) to continue with reforms and improvement plans to expedite the achievement of the Board objectives (Celluci, 2011). Part of the improvement efforts; International Accounting Standards (IAS) was retitled to IFRS (IFRS) and was made more flexible than IAS (IASB, 2011). At the outset, the idea was to harmonize the accounting standards, i.e. to minimize the variances that existed in the accounting principles being applied in the major capital markets across the globe, but the notion of harmonization was later replaced by the concept of convergence in 1990s which aims at achieving single uniform set of high quality global standards that can be applied at least in all the major capital markets around the world (IASB, 2011).

IFRS are designed as a common global language for the company's activities in order to improve the quality, understandability and comparability of financial reporting across international boundaries. The standards are said to achieve three fold objectives; firstly, to assist in standardizing the diverse accounting policies existing around the world and eliminate the incomparability of financial statements within and across entities. Secondly, they facilitate the presentation of high quality, transparent and comparable information in financial statements. Thirdly, they reduce to accounting alternatives and thereby eliminate the element of subjectivity in financial statements (Chakrabarty, 2011).

Subsequent to the above, the questions that demand for an answer is whether IFRS is feasible to all countries of different settings, especially the developing nations. This is because looking at the trend in the International Accounting Standards setting processes, it was clear that the founders of this global standards were all from the highly industrialized economies, sharing common characteristics in most cases and the decision to have these common accounting standards was taken based on the situation that best fit the participating countries, in terms of economy, laws and regulations, politics e.t.c. None of the developing countries was considered in the comparative studies carried out which later led to the development of IAS (now IFRS).

Since the issue of IFRS came to light, researchers have been at work to determine the rationale behind its development. The notion receives great attention from both academic and professional accounting literatures.

Some literatures argue that diversity in culture, politics, law and regulations and business environments among countries is large, that single set of accounting standards cannot be applicable to all countries. While other literatures contend that the flexibility of global accounting standards allows the disparity in culture, politics, laws and regulations and business environment to be accommodated under single set of accounting standards.

Wong (2004), argues that converging to a single set of accounting standards can be seen as effectively realised when the financial information allows investors to make comparison, when it lowers cost of capital, when the allocation of firms' resources is seen to be efficient and when high economic growth is achieved. Hail et al. (2009), believes that global accounting convergence is likely to improve the quality of firms' reporting system, reduce the firms cost of capital and enhance market liquidity, but convergence does not by itself guarantee comparability of corporate reporting practices unless the firms share common reporting incentives. The need for International Accounting Standards is becoming inevitably obvious due to the globalization of financial markets, so that the intricacies in national accounting standards of various countries can be removed (Okoro, 2011).

In another study, it was found that the convergence to IFRS will enable investors to figure out opportunities better, multinational corporations to use common accounting language in the preparation and presentation of their financial statements using similar language of that of their competitors (IFRS Backgrounder, 2011). In his study Ebimobowei (2012), states that convergence of global accounting standards cannot be insulated from politics, increased compliance cost, and deprivation of business operations. According to him, accounting standards setting is often being inspired by political motives to transfer resources from less desirable sector to most desirable ones and the effects of this resources transfer is usually being influenced by interest groups by way of lobby. In respect to the cost implications the researcher opines that global accounting convergence would create one-off convergence costs and continuous maintenance costs of the global standards as well as costs of training the regulators, preparers, auditors and other financial professionals and the cost of retaining the trainers for a reasonable period of time. Regarding the deprivation of business operation, the author claims that many businesses would be deprived the opportunities to run their businesses in jurisdictions that apply the accounting standards that best suits their line of business.

To this end it can be understood that, international accounting convergence is crucial and timely in this era of increased globalization. Although it might create some difficult experience the benefits to be derived from it seem to overshadow the problems. It is expected to result in consistency and uniformity of the financial system, minimizes cost of doing business and serves as a protective measure to investors by increasing their confidence no matter where the business occurs. It is also believed that investors' willingness to diversify their investments across international boundaries will be encouraged if financial information prepared under single set of standards can be relied upon by them. Moreover, managing diversity in accounting standards is not only costly but also time consuming. On the other hand, it is also important to consider the impact of cultural differences, economic and political characteristics of a country, switching cost and above all the feasibility of the new standards in a country of different settings.

2.5 Prior Studies on IFRS Acceptability

For financial reporting to be credible, the standards under which the financial statement is prepared must be acceptable. The endorsement of financial community must be sought in designing accounting standards to ensure its appropriateness and timely implementation (Wulandari & Rahaman, 2004).

Ollier and Walliser (2012), study the determinants of voluntary acceptance and adoption of IFRS by 85 French listed firms on the unregulated market by analyzing their annual reports of 2010. The study reveals that certain vital elements are observed to be the determinants of voluntary acceptance and adoption of IFRS in these firms, namely; firm size, firm assets and the industry. They highlight that the larger the size of a firm the greater its possibility to voluntarily accept and adopt IFRS. They substantiate their assertion with the political cost theory that requires large firms to provide plentiful information in their reports than smaller firms in order to meet the analysts' expectation. In the same vein switching to IFRS by big firms is likely to be more inexpensive than in the case of smaller ones. While in the case of the second element (firm assets), the study states; in addition to firms' size, firms' assets is another important element in determining voluntary acceptance and adoption of IFRS, as heavy investments in assets serve as a protector and tend to constitute strong entry barrier to firms wishing to switch to IFRS. The third element (Industry) is also seen to be the determinant of voluntary acceptance and adoption of IFRS; for instance, firms under utility or consumer goods industry may not likely to accept and adopt IFRS than firms under other sectors (Ollier & Walliser, 2012).

Dochia (2012), states that the shift to IFRS by the Romanian credit organization in January, 2012 is considered as a giant stride towards achieving global accounts harmonization in Romania. Preparers of accounts from the country's banking sector express their total support towards the application of the common global accounting standards, describing it as a positive development in the country's reporting system and the assessment of cost-benefit is perceived to be positive. This contradicts the finding of the survey conducted by Ernst & Youg (2010) who attempts to determine the level of acceptability of IFRS and its application by investment funds supervisors as well as determining how well-informed and appreciative investment funds administrators and managers were with regards to IFRS, in 41 European Union Countries. The survey shows low level of acceptability among the fund supervisors with 79% of them expressed their preferences of local GAAP to IFRS in achieving quality reporting system in the industry.

However, majority of the fund managers (58%) also preferred using the domestic GAAP to IFRS while 22% of the managers that have already incorporated both IFRS and local GAAP in their reporting system express no intention of total switch to IFRS. The common idea in the responses generated indicates that IFRS would only be applicable when it is made mandatory (Ernst & Youg, 2010).

Similar to the above study is that of Pawsey (2010), who states that his two sets of survey carried out in 2005 and 2008 in Australia, to determine the perceived quality and complexity of the global standards show different degrees of acceptability amongst the account preparers towards the quality of IFRS. According to him, the 2005 survey reveals; majority of account preparers surveyed disagree with the perceived quality attributed to IFRS as in their opinions is more complex than Australian standards. To them IFRS lacks the quality of being accepted. But as time passes by, the perceptions of the preparers seemed to change; the result of 2008 survey indicates improved acceptance of IFRS as a quality standards in terms of stringent application guidance on certain issues not addressed by Australian standards, but they believed that IFRS compared to Australian standards is more complicated, costly, time consuming, and leads to user confusion. Some respondents according to the study were very fanatical in the critique; describing IFRS as "a mess" utterly stupid", "nonsense", and "ridiculous" (Pawsey, 2010).

Jones and Higgins (2006), who also surveyed 60 Australian firms believed to be among the top 200 companies in the country, to determine how account preparers in these firms accept the shift from Australian Accounting Standards to International Financial Reporting Standards. The result signposts that numerous of the respondents expressed cynicism in the presumed benefits to be derived from the single set of global standards while numerous others were strongly doubtful of the whole Australian reform agenda in respect to the IFRS application, most of the criticism was noticed to largely come from small sized firms in the country, which according to the study raised another concern on whether IFRS would be acceptable and relevant to small sized companies.

Lee (2011), states that the result of the survey carried out among 163 chief financial officers and investors across Europe, US, Middle East and Asia, reveals less resistance of IFRS by investors and CFOs. The increasing understanding of the standards among investors and CFOs was believed to broke down the resistance attitude with about 40% of the respondents confessed that IFRS has increased more access to capital, while about a quarter of the respondents believed that IFRS has brought reduction in cost of capital. Many respondents believed IFRS would facilitate consistent regulation, bring greater disclosure in presentation of information regarding financial reporting and sustainability and corporate governance report would also be more transparent.

Furthermore, another study stresses the importance of IFRS acceptability by accounting students; being the future professionals in the accounting field. IFRS knowledge and acceptance by accounting students are considered as important contributing factors towards the successful IFRS journey (James & Blaszsczynski, 2010). The study attempts to explore how accounting students and students of accounting related discipline perceive and accept IFRS as a quality accounting system of reporting, using a structured questionnaire to generate relevant data on the subject. The exploration reveals that the acquisition of IFRS knowledge is more important than the acquisition of the existing accounting knowledge by the students of accounting in this contemporary accounting world. Hence, 75% of the respondents expressed acceptance and confidence in IFRS as global quality reporting standards capable of improving accounting reporting system. Although, students from accounting related disciplines seemed to accept US GAAP as more appropriate global accounting standards than IFRS, while accepting the US GAAP as another quality standards, the students of accounting majors argued that the internationalization and the interconnectivity of financial markets demonstrate the relevance of IFRS knowledge in updating the existing accounting knowledge and in providing accounting graduates with greater opportunities in the world financial markets (James & Blaszsczynski, 2010).

2.6 Prior Studies on IFRS Enforceability

The introduction of IFRS in any particular jurisdiction would simply constitute a part in the laws and regulations existing in that jurisdiction relating to how business affairs are being governed. Often times, these laws and regulations try to overlay one another or simply become inconsistent especially when sound enforcement mechanisms are absent or the role of various institutions responsible for the enforcement are not well defined (NASB, 2010). The role of institutional infrastructures in ensuring rigorous and effective application of IFRS cannot be over emphasized. Realizing the benefits attached to these global standards requires strong legal, institutional and professional support (Tarca, 2012). Hence, a lack of stringent and clearly define enforcement and regulatory system as well as quality professional accountants may result in inefficiency and inappropriate application of IFRS. Moreover, for the adoption of IFRS to be effective there should be an adequate awareness campaign and improvement in the quality of a professional accountant, at the same time potential professional accountants in making and accounting students need to be well informed on how IFRS are being applied (Akgun, 2012).

Kothari et al. (2000), (cited in Wulandari & Rahaman, 2004) assert that having accounting Standards in place do not guarantee effective regulation mechanism; institutional infrastructures for the application and enforcement of these standards are also vital in providing the standards with the aptitude to make financial information relevant for all capital markets. Strong institutional infrastructures and sound enforcement apparatus will enable investors to develop confidence that financial reports reveal a true and fair view of the firm's fundamentals. However, enforcement mechanisms are indispensable elements in the application of IFRS, unless consistently and rigorously enforced, the perceived benefits of the new set of standards cannot be reaped (NASB, 2010).

Christensen, Hail and Leuz (2012), study the capital market effects as a result of mandatory IFRS application and changes in the enforcement mechanism using a novel dataset of 35 countries that adopted IFRS. It was found that countries with sound enforcement changes during IFRS introduction tended to benefit more from increased liquidity than countries with no changes in enforcement mechanisms. The study confirms that countries that made changes in the enforcement mechanism without even moving to IFRS also experienced increased liquidity benefits than countries that did not make changes in the enforcement mechanism during the IFRS adoption. Therefore, changes in enforcement mechanism play a vital role in attaining liquidity benefits before and after IFRS introduction. Hence, achievement of IFRS targeted objectives can be concurrently accomplished with proper and sound enforcement mechanism in place.

Preiato, Brown and Tarca (2012), explore how effective is enforcement mechanism in realising the benefit of IFRS, using firm-month observations of 391,462 firms from 51 countries in Europe and Australia that mandatorily apply IFRS, with US and Canadian firms used as control sample between 2002- 2009 financial year. The study finds lesser error and low dispersion for users of IFRS as well as firms in jurisdictions with strong enforcement mechanism. Synonymous to this finding is that of Cai, Rahaman and Courtenay (2008), who used firms-annual observations of more than 100,000 firms across 32 different countries between 2000 and 2006. The result shows that there had been a drastic decline in the level of earning management as a result of IFRS adoption, in the same vein countries with sound and efficient IFRS enforcement mechanism seemed to have lesser earning management. Additionally robust institutional infrastructures and strong monitoring mechanism were found to be a critical success factor in improving reporting quality and reducing income smoothing for both domestic and cross border listed firms in the UK after the adoption of IFRS, (Samarasekera, Chang & Tarca, 2012). Ahmed et al. (2010), (cited in Samarasekera et al., 2012) claims that the resultant decline in the accounting quality in some countries with mandatory IFRS adoption policy covered in his study was associated with weaker enforcement mechanism existing in those countries.

The Institute of Chartered Accountants of Nigeria (ICAN) and the Association of National Accountants of Nigeria (ANAN) are the two Accountancy bodies responsible for the production of professional accountants in Nigeria. The bodies are also involved in ensuring that members maintain high professional conduct in the discharge of their professional duties through continuing professional program and ethical awareness (World Bank, 2004). Iyoha and Jimoh (2011), states that only these professional bodies (ANAN & ICAN) seem to demonstrate strong commitment towards IFRS adoption in the country, while other institutions have a lot to put if their relevance in the adoption is to have any meaningful impact.

2.7 Prior Studies on International Financial Reporting Standard Quality

Generally, accounting Standards are considered to be a regulatory apparatus of accounting. They are essential components that work as a contract framework among various interested parties participating in a company, such as management, shareholders, investors, and creditors and are viewed to serve as a guide in the preparation, presentation, and interpretation of accounting information (Wulandari & Rahaman, 2004).

It was documented that financial reporting is said to be qualitative if the information furnished are useful to the various interested parties, investors inclusive, ensures accurate representation of economic reality, and lessen the managerial ability to manipulate earnings (Ball, 2006). Moreover, in order to gauge the accounting standards quality, Wulandari and Rahaman (2004), stress the need for the standard to be transparent and enable full disclosure, it should be able to furnish investors with relevant, reliable and acceptable information to take well informed and sound investment decision.

Many research studies have attempted to assess the quality of IFRS from different perspectives prior and after its adoption in various countries around the world, with some hailing its phenomenal success while other undervaluing its anticipated qualities. Some of these researches include: (Hail, et al., 2009; Ashbaugh & Pincus, 2001; Bartov, Goldberg & Kim, 2003; Barth, 2007; Blom 2009; Latridis, 2010; Pawsey, 2010; Liu et al., 2011; Jeanjean & Stolowy 2008; Barth & Williams, 2011; Capkun, Collins & Jeanjean, 2012).

Liu et al. (2011), examines how convergence with IFRS alters the accounting reporting quality in China after it was made mandatory for the country's listed companies in 2007. The findings indicate a positive impact to the country's reporting system with improvement in reporting quality leading to reduction in income smoothing, and increased in value relevance of reported income and firms not being audited by Big-4 and those with weak reporting quality seemed to improve. The

Finding agrees with Daske et al. (2008), who aver that IFRS would be of more quality for firms not audited by Big-4 (Liu et al., 2011).

Barth and William (2011), explore the degree to which IFRS application by non-US companies change financial reporting numbers compared to US firms that apply US GAAP. In so doing, value relevance and accounting reporting comparability were observed. The exploration confirms that the degree of comparability of accounting system is much higher in IFRS based firms than firms in US that apply US GAAP. It was also documented that the degree of comparability is greater in countries where IFRS is made mandatory and countries with stringent enforcement mechanism. Furthermore, the findings indicate that despite the quality of IFRS to make financial numbers more comparable, US GAAP exhibits greater value relevance than IFRS, and this makes it possible for US GAAP to compete and be comparable with IFRS based firms residing in common law countries and those with stringent enforcement mechanism. Thus, mandatory application of IFRS and strict enforcement apparatus tend to improve the financial numbers comparability at the same time financial reporting quality.

Ahmed, Neel and Wang (2010), (cited in Capkun, Collins & Jeanjean, 2012), the study draws a large sample of companies from the EU countries and non-EU countries after 2005 when IFRS application was made mandatory for the former. The study points out that the excitedly anticipated quality of IFRS to reduce the incidence of accounting magic (income smoothing) turns out to encourage the phenomenon. In other words earning management appeared to increase after IFRS adoption relative to Pre-IFRS era and relative to countries that apply local GAAP (mostly US companies). The study argues that the findings of a similar study conducted by Barth (2008) and found decreased in the level of income smoothing for early users during the post IFRS application and slight increased after IFRS was made mandatory is likely due to incentives offered for voluntary application instead of the effects of the standards. Hence, voluntary adopters were encouraged by the incentives for the application of IFRS not because of its likely quality effect.

Latridis (2010), explores the extent to which IFRS changes the UK reporting quality, by examining the change in the level of value relevance and possibility of managers to manipulate earnings under the global standards. To achieve this, financial figures reported by the UK firms in 2005 (under IFRS) and that of 2004 (under UK GAAP) were compared and analyzed. It was found that the two sets of standards exhibited considerable variation in the country's reporting system, hence, affected the UK companies in distinct ways. According to the researcher, the financial statements prepared in 2005 (Post IFRS period) demonstrated greater value relevance than those prepared in 2004. Furthermore, it was also observed the phenomenon of information asymmetry seemed to reduce and the ability of managers to manipulate earnings was significantly declined.

Pawsey (2010), explores the quality and complexity of IFRS using two sets of survey carried out in late 2005 and late 2008 in Australia. The year 2005 was chosen because it was the period when Australian firms were trying to finalize IFRS conversion process, while the period of 2008 was chosen because the impact IFRS was believed to have been manifested itself by that period. The results indicates significant responses generated from the 2005 survey showed negativity towards IFRS; that IFRS results in reduced reporting quality instead of improving it, but over time, the situation seemed to change in 2008 when IFRS application was believed to have manifested its impact then, there were relatively positive responses from the respondents towards IFRS; that IFRS rules were more specific, firms comparison ability increased, and accounting information was becoming more reliable to users.

Using a firm annual-observation of 2286, out of which 1926 firms did not adopt IFRS, while 360 firms adopted the new global standards, Zhou, Xiong and Ganguli (2009), find that firms that adopted IFRS were less likely to escape reporting their losses compared to firms that did not adopt the standards. In other words, IFRS adoption firms found it difficult to engage in earnings management. They also found that IFRS adoption enabled the firms to recognize losses more timely compared to the pre IFRS period. Generally, the study suggests improvement in reporting system during the post IFRS era.

Hail et al. (2009), mentions that; US GAAP tends provide high quality reporting system and switching to IFRS is simply monotonous and unfitting, as both standards are already closed to each other and the local GAAP is of the same quality if not better than IFRS to the extent that the degree of variances are negligible. In addition, both the standards seem to share the same fundamental precept of capital market emphasis. Therefore, moving from US GAAP to IFRS would make no difference and may result in lower or equal reporting quality.

Blom (2009), examines the mandatory adoption of IFRS by the quoted companies in the European Union, with six countries considered as a sample. The researcher finds out that even though there was significant reduction in the discretionary accruals after the adoption of IFRS but was due to the measures taken by the companies in controlling financial management incentives. Blom, also said; in spite of the stringent reporting conditions of this single set of global standards, there was no change in the level of window dressing (earning management) after its application by the companies, as companies were able to device a means of reporting earnings that favor their situation. Thus, IFRS lacks its anticipated quality.

The ability of IFRS to make cross markets and cross countries financial statements homogeneous enables investors to make comparison cost-effective. Amstron et al. (cited in Jeanjean & Stolowy, 2008), point out that even if IFRS does not provide the required reporting quality, yet it would be found helpful to investors in aiding them to distinguish between strong firms and weak firms which could consequently help them in minimizing risk of lower estimation and lessen information asymmetry.

Jeanjean and Stolowy (2008), examine whether compulsory convergence to IFRS changes the incidence of creative accounting (earning management) in three countries considered to be among the early adopters of IFRS, namely; France, UK , and Australia. The result confirms that there was no changes in the prevalence of earning management in these countries instead France had experienced an increased in the level of earning management after IFRS adoption. The authors also state that having common accounting rules does not guarantee universal business language but other factors like institutional infrastructure, management incentives have a great role to play in ensuring quality reporting system.

Christensen, Lee and Walker (2008), investigate how IFRS impacted the accounting quality from the perspectives of voluntary adopters and those that were forced to comply when IFRS was made mandatory in Germany. The study generated its data from data stream available for both existing and inactive firms on accounting Standards. The result suggests that voluntary adopters were driven to adopt because of the anticipated benefits of IFRS compliance. Accordingly, earning management was found to be in decline and timely loss recognition improved. Conversely, firms that delayed adoption until when IFRS was made mandatory did so as there was no incentive for them to comply .The study found yet no changes in reporting quality for these firms after mandatory adoption. This suggests that improvement in IFRS reporting quality is dependent on the reporting incentives rather than forcing adoption.

The finding in Barth (2007), is synonymous to that of Hail et al. (2009), he asserts that IFRS is not capable of reinforcing the quality of accounting system in US; accounting system under GAAP seems to demonstrate high quality in terms of increased net income and cash flows with the considerable low negative relationship between accruals and cash flow. According to the study, even though variation in value relevance declined with the adoption of IFRS, yet several findings indicate superiority of US GAAP in terms quality over IFRS, prior and after 2005, when application of IFRS was made mandatory in some countries.

Bartov, Goldberg and Kim (2004), made a comparative assessment to determine the value relevance based on firm's earnings, under three distinct standards; German GAAP, IAS (IFRS), and US GAAP using 699 German firms as a sample. A cross-sectional and time series model was applied in carrying out the study. The outcome reveals that value relevance under either IFRS (IAS) or US GAAP is quite higher than that under German GAAP. According to the findings, the result reaffirms the finding of Leuz (2003) who claims that IAS (IFRS) and US GAAP are of the same quality and both the standards result in similar information asymmetry to the users.

Ashbaugh and Pincus (2001), in their study, eighty non- US companies from thirteen countries were used as a sample to determine changes in analysts' capability to make accurate prediction after IFRS is applied. The result reveals that IFRS adoption makes prediction of financial information of the companies easier and minimizes disparity in the firms' disclosure system. In other words the errors associated with analysts forecast have been declined due to IFRS adoption. Thus, IFRS was deemed to be of good quality.

In view of the fact that many German firms voluntarily started the application of IFRS right before its application became mandatory in 2005, and the fact that Germany is known to be a code law nation with less investor's right protection; derived the researchers to study how possible is IFRS in providing better earning quality for German firms. To achieve this, comparison was made between firm that voluntarily apply IFRS and firms that maintain the local GAAP (German GAAP), in all 636 firms were considered as a sample. The result divulges that application of IFRS in Germany tends to encourage the degree of discretionary accruals and firms involve more in window dressing (income smoothing), but it was noticed that the effects considerably declined for the firms being audited by Big-4 (Tendeloo & Vanstraelen, 2005). Therefore, the behavior of income smoothing remains unchanged for both companies using IFRS and German GAAP.

In Nigeria, the proponents of this set of standards argue that convergence to IFRS is in the best interest of the country, as the quality of these global standards would go a long way in enhancing efficient and effective capital formation, thereby making accessibility to foreign capital easier and facilitation of cross boundary listing, encouraging international competitiveness, increasing accessibility to MNCs tax liabilities by the government, enabling investor protection, enhancing teaching and learning of IFRS in Nigerian tertiary institutions, reduction in the cost of doing business, enhancing transparency, reliability and comparability of firms financial results (Madawaki, 2012; Tarzungwe, 2012; Oyedele, 2011; Ojeka & Dickson, 2011; Iyoha & Faboyede, 2011; NASB, 2010). In the contrary, it is argued by the antagonists that IFRS varies considerably to Nigeria GAAP, converging with it would require changes in a number of laws and regulations, as Nigeria GAAP is consistent with Nigerian Laws and these laws override any other law. A number of agencies/institutions dictate what, how and in what structure financial statements be prepared in Nigeria, who is authorized to prepare it, who is to verify it, who is to approve it, when to produce it and who is to receive a copy. The entirety of these is Nigerian GAAP, Iyoha and Jafaru (2011), and any shift from this will require changes in these laws and regulations which obviously requires a reasonable amount of time, money and effort to make changes acceptable, reliable and more robust. Moreover, corporate institutions, accounting experts, and auditors need to be trained and retrained, tax policy need to be adjusted cultural aspect also need to be addressed (Ailemen, 2012).

CHAPTER THREE

METHODOLOGY

3.0 Introduction

This chapter explains the methodology employed in carrying out this research in order to achieve the stated research objectives. The chapter covers the following parts: Research framework, hypotheses/proposition development, research design, measurement of variables/instrumentation, data collection, sampling, data collection procedures and techniques of data analysis.

3.1 Theoretical Framework

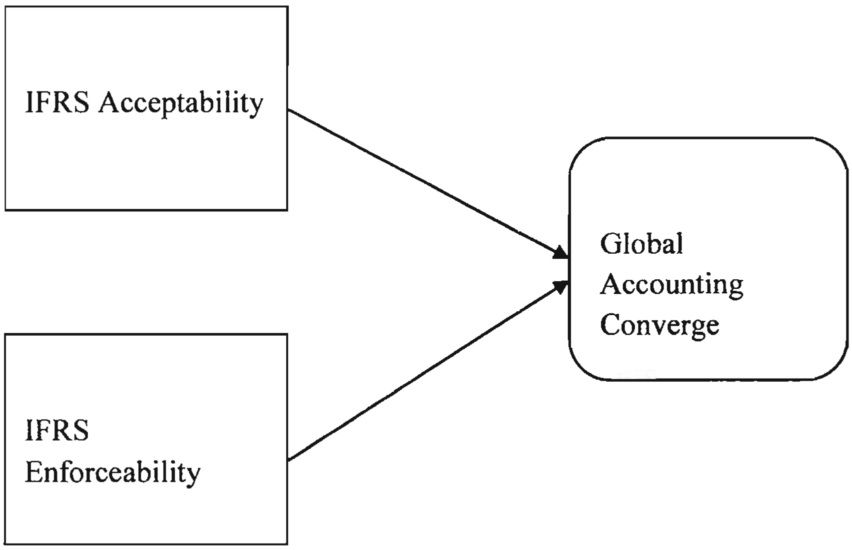
For any standard research to have high academic value, the need for theoretical framework is more or less indispensable. According to Sekaran and Bougie (2009), theoretical framework explains the foundation on which the entire research work is based. It explores, describes, examines and explains the network relationships among the variables of interest considered relevant to the problem under investigation.

The research model (as shown below) tries to explain the relationship between the variables of interest in this study; with global accounting convergence being the dependent variable while IFRS acceptability and IFRS enforceability serve as independent variables. However, the relationship between global accounting convergence and IFRS quality is also shown. In this case IFRS quality serves as dependent variable and global accounting convergence being the independent variable.

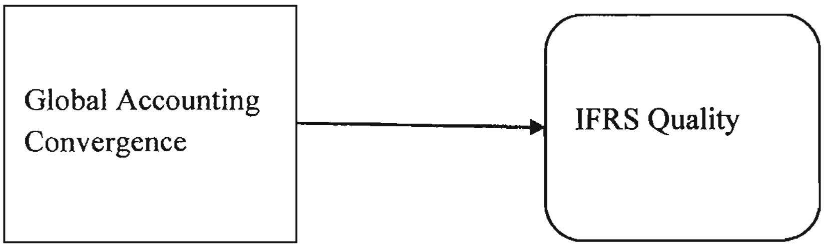
The review of previous literatures on each of the variable in chapter two provides the detailed explanations on how the IVs relate to the DVs.

Research Model

Model 1: Relationship between IFRS Acceptability, IFRS Enforceability & Global Accounting Convergence.



Model 2: Relationship between Global Accounting Convergence & IFRS Quality.



3.2 Hypothesis Development

In order to develop hypothesis of this research, some relevant literatures connected to the variables were used as a back-up for the formulation of the different hypothesis. The literatures analyze the relationship that could be established among the identified variables of interest.

3.2.1 International Financial Reporting Standards acceptability

The credibility of accounting Standards is often measured by the endorsement of financial community (Wulandari & Rahaman, 2004). Therefore, accounting standards under which financial statement is prepared must be accepted by all of its stakeholders.

The study of Ollier and Walliser (2012), reveals certain vital elements to be the determinants of voluntary acceptance and adoption of IFRS in these firms, namely; firm size, firm assets and the industry. They highlight that the larger the size of a firm the greater its possibility to voluntarily accept and adopt IFRS.

Dochia (2012), finds that Preparers of accounts from the Romania's banking sector expressed their total support towards the application of the common global accounting standards, describing it as a positive development in the country's reporting system and the assessment of cost-benefit is perceived to be positive.

Conversely, the finding of the survey conducted by Ernst and Young (2010), shows low level of acceptability among the fund supervisors with 79% of them showed their preferences of local GAAP to IFRS in achieving quality reporting system in the industry.

Lee (2011), states that the result of the survey carried out among 163 chief financial officers and investors across Europe, US, Middle East and Asia, reveals less resistance of IFRS by investors and CFOs.

James and Blaszsczynski (2010), explore how accounting Students and Students of accounting related discipline perceive and accept IFRS as a quality accounting system of reporting. They found that acquisition of IFRS knowledge was more important than the acquisition of the existing accounting knowledge by the students of accounting in this contemporary accounting world. Most of the respondents expressed acceptance and confidence in IFRS as global quality reporting standards capable of improving accounting reporting system. Thus, the first hypothesis is:

H1: *There is a positive relationship between preparers' and users' acceptability of IFRS and the convergence to IFRS.*

3.2.2 International Financial Reporting Standards Enforceability

Kothari et al. (2000), (cited in Wulandari & Rahaman, 2004), state that having Accounting Standards in place do not guarantee effective regulation mechanism; institutional infrastructures for enforcement and monitoring the application of these standards are also vital in providing the standards with the ability to make financial information relevant for all capital markets.

In their study Christensen, Hail and Leuz (2012), find that countries with sound enforcement changes concurrent with IFRS introduction seemed to benefit more from increased liquidity than countries with no changes in enforcement mechanisms.

Preiato, Brown and Tarca (2012), find lesser error and low dispersion for users of IFRS as well as firms in jurisdictions with strong enforcement mechanism.

Similarly, the study of Cai, Rahaman and Courtenay (2008), shows that there had been a drastic decline in the level of earning management as a result of IFRS adoption, in the same vein countries with sound and efficient IFRS enforcement mechanism seemed to have lesser earning management.

However, effective institutional infrastructures and strong monitoring mechanism were found to be a critical success factor in improving reporting quality and reducing income smoothing for both domestic and cross border listed firms in the UK after the adoption of IFRS, (Samarasekera, Chang & Tarca, 2012). Therefore, the study hypothesized:

H2: *There is a positive relationship between enforcement mechanism and the convergence to IFRS*

3.2.3 International Financial Reporting Standards Quality

The relationship between IFRS and financial reporting quality has been a topic of debate among scholars and practitioners around the world with some hailing its phenomenal success while other undervaluing its anticipated qualities.

The findings of Liu et al. (2011), indicates that IFRS has positive impact to the country's reporting system with improvement in reporting quality leading to reduction in income smoothing, and increased in value relevance of reported income

Barth and William (2010), confirm that the degree of comparability of accounting system was much higher in IFRS based firms than firms in US that apply US GAAP.

Moreover, in his study, Latridis (2010), finds that the two sets of standards (UK GAAP and IFRS) exhibited considerable variation in the country's reporting system, hence, affected the UK companies in distinct manners. He added that the financial statements prepared in 2005 (Post IFRS period) demonstrated greater value relevance than those prepared in 2004. It was also observed the phenomenon of information asymmetry seemed to reduce and the ability of managers to manipulate earnings was significantly declined.

Conversely, Capkum, Collins and Jeanjean (2012), document negative relationship between IFRS and reporting quality, as they found no changes in the incidence of earning management between pre and post IFRS era, instead the incidence rather increased in certain instances during the post IFRS period. This according to them can be ascribed to the fact that IFRS is too flexible coupled with IASB refusal to provide comprehensive application guidance to ensure effective application of the new set of standards.

In his findings, Pawsey (2010), shows negativity towards IFRS quality; that IFRS results in reduced reporting quality instead of improving it. But over time, the situation seemed to change in 2008 when IFRS application was believed to have manifested its impact then, there was relatively positive responses from the respondents towards IFRS; that IFRS rules were more specific, firms comparison ability increased, and accounting information was becoming more reliable to users. Therefore, the study hypotheses as:

H3: *There is a positive relation between convergence to IFRS and reinforcement of financial reporting quality*

3.3 Research Design

There is no universally accepted procedure for planning a research work and selecting a research design. Thus, research design is driven by the concept of "fitness of purpose". The purpose behind any research determines its methodology and design.

According to Zikmund (2000), research design is a master plan describing the techniques and procedures used in collecting and analyzing data relevant to the problem under investigation. The study design explains the type of study being carried out by the researcher, the questions that need to be answered, and the hypothesis to be tested, identification of dependent and independent variables, method of data collection and method of analyzing the data. However, Sekaran and Bougies (2009), in their book identify three main types of study. According to them studies may either be exploratory, descriptive, or studies carried out to test hypothesis. In any case the nature of a study (be it exploratory, descriptive, or hypothesis testing) depends on the clearness and understanding of the research problem.

A study is said to be exploratory when little is known about the phenomenon under investigation or no available information on how similar research issue or problem has been tackled in the past (Sekaran & Bougies, 2009). The exploratory research tries to explain more on the research problem but does not provide conclusive evidence of that problem. Therefore, the findings of this type of research cannot be used to make generalizations, and this requires the researcher to fully understand the problem before developing any model (Zikmund, 2000). Descriptive study on the other hand is carried out when the researcher has some understanding of the situation or problem at hand but tries to provide the description of the characteristics of the problem (Sekaran & Bougies, 2009). Thus, descriptive study is conducted to provide better specific description of the problem under investigation. However, a study that describes the nature of particular relationships or tries to explain the differences among two or more factors in a particular situation is referred to as "hypothesis testing" (Sekaran & Bougies, 2009).

Therefore, this research work used both descriptive and hypothesis testing research. The study cannot be regarded as exploratory, simply because previous researches were carried out in the area to explore the phenomenon and develop some model as mentioned by Sekaran and Bougies (2009). Why it is said to descriptive because there were some understanding regarding the nature of the problem but the researcher tried to establish more specific description of that problem by assessing the financial reporting convergence; its quality, its acceptability and enforceability of IFRS in Nigeria. In the same vein the study also tried to describe characteristic of the population such as respondents (preparers and users). Moreover, it is also considered as hypothesis testing approach because some propositions were developed to describe the relationship between a dependent variable (IFRS convergence) and independent variables (IFRS acceptability and IFRS enforceability).

To this end, it is important to state that; this study was cross-sectional in nature as it involved generating the data once or at one particular point in time to accomplish the research objectives (Sekaran & Bougies, 2009). The rationale behind choosing one-shot study (cross-sectional) was because of its economical advantage and does not take time compared to longitudinal study.

3.3.1. Types of Research Design

Research design is classified into three different categories; (1) Survey or non-experimental design involving of interview and questionnaire (2) experimental design carried out in the laboratory and field study and (3) historical design involving the use of secondary data and observations (Zikmund, 2000).

This study used survey or non-experimental design and thus left the researcher with no control on how the independent variables affect the dependent variable in the study. The researcher could only exercise control over the measurement employed but could not interfere in the research settings. The survey sought the perceptions of the users and preparers on IFRS quality, acceptability and enforceability and their relationships with the decision of IFRS convergence in Nigeria.

3.4 Measurement instrument and Operationalization of the Variables

The questionnaire is believed to be an important instrument used for data collection in survey research (Ringim, 2012). Therefore, for the purpose of this study, structured questionnaire, consisting of closed-ended questions was used to generate the needed data. Face validity was carried out to ensure the adapted questionnaires were appropriate to measure our target variables.

The questionnaire used by Rezaee, Smith and Szendi (2010), in a closely related study was adapted with little modification to suit the context of the study in order to measure our dependent variables (global accounting standards convergence) and two of our independent variables (IFRS acceptability and IFRS enforceability). Moreover, to measure the IFRS quality being one of the study's dependent variable, the questionnaire used by Pawsey (2010), was also adapted with slight modification.

The five point Likert scale was employed anchored by 5 indicating very strong and 1 very weak. This scaling system was used by Iyoha and Jimoh (2011), and Isenmila et al. (2013), and found suitable. It was also claimed that scales between 5 and 7 points were found most reliable and valid by many studies than longer or shorter scales (Krosnick, 1991). Therefore, in order to minimize the tendency of selecting the neutral answer and minimize social desirability bias among respondents, which could of course reduce the measurement quality; this study opted for 5 point scale as justified by (Krosnick, 1991). It was also stated that the decision to use a particular scale depends largely on the researcher's preference or the nature of the research problem being investigated, but it is worth noting that there could be no one best way in developing a scale (Ringim, 2012).

The structured questionnaire in this study was made up of four parts. Part A contained questions regarding the dependent variable "1" Global accounting standards convergence, part B and C contained questions for measuring independent variables-statement about IFRS acceptability and IFRS enforceability in Nigeria, and followed by part C which contained questions regarding the dependent variable "2" IFRS quality. The last part (part D) asked demographic information of the respondents.

3.5 Data Collection

The data for this study was generated from primary source. This primary source of data was through the administration of questionnaires to investment analysts, auditors, and academicians/accounting preceptors (herein referred to as user of financial reports) and firms' financial officers (herein referred to as preparers of financial report).

3.6 Data Collection Procedures

In an effort to have the completed questionnaire back as soon as possible, the researcher decided to use self-administered method as well as online survey in order to get reasonable responses enough to make analysis and draw a conclusion.

Self-administered and collection method was deemed to be the most appropriate way of getting a reasonable response in a country like Nigeria where research culture is no well-motivated (Ringim, 2012). Another reason for using self-administered questionnaire is the ability of the researcher to clarify some information found unclear by the respondents and encourages prompt response. The online survey was however used in this study as a supplement to the self-administered questionnaire so as to assist in generating a high rate of response couple with its benefits of lower cost, wider geographical coverage, and convenience for respondents.

Babbie (1990) presents three objectives attached to survey research: (1) Description: this objective provides a description about the population in order to identify the attribute of the respondents. (2) Explanation: this provides an explanation to the population on the relationship among the variables (3) exploratory: exploratory objective concerns with the discovery of new study in a particular area.

Therefore, this study cuts across descriptive and explanatory objectives, because it is concerned with identifying the attribute and characteristics of the respondents at the same time providing them with an explanation of the relationship among the variables.

3.7 Sampling techniques

The population of this study consists of preparers and users of financial reports. They are categorized as follows:

Table 3.1
Listed Companies and Investment Firms in Nigeria

Organization	Respondents	Number
Nigerian Listed Companies	Preparers	183
Investment analyst firms	Users	225

Source: Okpala 2012

The preparers are represented by Directors / Finance Managers of Nigerian Listed companies. They were considered to be responsible for the preparation of financial statements of the respective organizations. While the users of financial reports are Investment analyst firms identified from the list of Capital market operators compiled by the Nigerian Stock Exchange (Iyoha & Faboyede, 2011). Investment Analysts were considered due to the fact that they are the principal users of financial reports (Okpla, 2012), they have good investment knowledge which aids analysis of financial reports and decision making. In addition, Auditors were represented by (916) Audit firms identified by the Institute of Chartered Accountant of Nigeria (ICAN, 2011) and were also regarded as users of financial reports for the purpose of audit exercise. Furthermore, accounting preceptors represented by (129) Nigerian universities (NUC, 2013) were as well considered as users of financial reports in this study for their roles in imparting knowledge to accounting students who are of course the potential account prepares and auditors.

However, a total of 363 well-structured and close-ended questionnaires representing about 25% of the population were administered among these financial information preparers using judgment sampling technique and financial statement users using the convenience sampling technique. And a total of 119 useable questionnaires were returned which is about 32% of total questionnaires administered.

According to Sekaran and Bougie (2009), judgement sampling involves selecting the respondents who are in the best position to provide the needed response. On the other hand convenience sampling involves selecting the respondents who are conveniently available to provide the needed response to the researcher. Therefore, the researcher decided to use convenience sampling because is often considered as the best means of generating information as quickly and efficiently as possible (Sekaran & Bougie, 2009).

In essence, the study resolved to use financial officers of Nigerian listed companies as they are considered in a better position to serve as financial information prepared by their respective companies. Thus, the judgment sampling technique was applied. More so, in view of the fact that financial information users are numerous, Auditors, financial analysts and academicians/accounting preceptors were used among others to serve as financial information users. The rationale behind choosing this category of users is due to the fact that they are considered knowledgeable enough to give an objective response required.

3.8. Techniques of Data Analysis

The data generated was analyzed using SPSS software version 20. Normality test and outliers check of data were conducted as preliminary analysis before reliability test. Four methods of data analysis were employed using the SPSS software.

3.8.1 Data Cleaning and Screening

This was conducted by way of examining the basic descriptive statistics and frequency distributions. Out of range values or values not properly coded were identified and frequency test was run for each variable to detect any missing responses.

3.8.2 Descriptive Statistics

In order to conduct any form of statistical analysis like correlation, the researcher should make sure that any assumption made for a test is not violated. Assumption testing normally involves getting descriptive statistics on the variables. Descriptive statistics comprise of mean, standard deviation, range of scores, skewness and kurtosis (Ringim, 2012).

3.8.3 Correlation Analysis

This analysis was carried out to identify the link among the variable of interest as well as the strength and direction of linear relationship between two variables.

3.8.4 Multiple Regression Analysis

This analyzed the link between several independent variables with single dependent variable. Therefore, multiple regressions were used in this study to analyze the link between the study's independent variables (IFRS acceptability and IFRS enforceability) and dependent variable (global accounting convergence). This was also repeated for the second part of the model i.e. global accounting convergence as independent variable and IFRS quality as dependent variable.

CHAPTER FOUR

DATA ANALYSIS AND PRESENTATION

4.1 Introduction

This chapter attempts to present the analysis of the data collected and discussion of the research findings. The discussion tried to achieve the objectives of the research, provide answers to the research questions and test the formulated hypothesis of the study. The data were analyzed in the following sequence: firstly, the response rate; demographic information of the respondents; reliability and validity analysis; hypothesis testing; descriptive statistics of the respondent and the main variables of interest in the study. Secondly, reports on assumptions in multiple regression analysis.

4.2 Overview of the Data Collected

A total of 363 questionnaires were administered among the financial report preparers and users in Nigeria. However, 119 questionnaires were returned and analyzed. The response rate can be summarily explained below:

Table 4.1
Response Rate

Response Rate	
Administered questionnaires	363
Completed and returned questionnaires	119
Response rate	119/363* 100=32%

This response rate was considered sufficiently adequate for statistical reliability and generalizability (Ringim, 2012). This relative high response rate may be attributed to online and hand delivery administration of the questionnaire.

Sekaran and Bougie (2009) states that 30% response rate is acceptable for surveys. However, 119 responses are greater than Hair et al. (2010); Pallant (2001) who asserts that for regression analysis to be feasible the sample size should fall between 5 and 10 times the number of independent variables, which in the case of this study are 3. Meaning the study should have 15 or 30 samples based on the pallant assumption.

4.3 Data Analysis

Upon successful collection of the completed questionnaires data were entered and analyzed using SPSS software version 19. Errors were checked by analyzing the mean, standard deviation, minimum and maximum scores for all cases on the variables.

4.3.1 Frequency Distribution Analysis

Frequency analysis was carried out in order to examine the attribute of the respondents, such as their gender, ages, educational qualifications and the categories organization they belong.

Table 4.2
Summary of Demographic Characteristics of the Respondents

Demographic Element	Characteristics	Number of Respondent	Percentage
Gender	Male	108	90.8
	Female	11	9.2
Age	20-30	15	12.6
	31-40	90	88.2
	41-50	14	11.8
	51-60	0	0
Educational qualifications	B.Sc./HND	55	46.2
	M.Sc./MA/MBA	60	50.4
	PhD/DBA	4	3.4
Organizational category	Listed company	37	31.1
	Audit firm	23	19.3
	Investment Analyst	27	22.7
	Tertiary institution	32	26.9

The above table tries to explain the basic information of the respondents in terms of their gender, ages, educational qualifications and their organizational categories. It can be concluded that 90.8% of the respondents are male while the 9.2% are female, 88.2% of the respondent are within the 31-40 age bracket, 12.6% fall within 20-30 age bracket, 11.8% fall within 41-50 age bracket none of the respondents fall within 51 and above age bracket. Furthermore, 50.4% of the respondent hold M.Sc., MA, or MBA, 46.2% of the respondents are holders of either B.Sc. or HND, while 3.4% of the respondents are PhD holders. However, 3.1% of the respondents are account preparers of the Nigerian listed companies, 26.9% are Accounting preceptors/lecturers in the Nigerian universities, and 22.7% are investment analysts, while 19.3% are auditors.

The percentages in this study appear to be closely in line with the finding of (Moqbel & Bakay, 2010; Pawsey, 2008) who studied weather US academics and Professionals are ready for IFRS and Australian preparer perceptions towards the quality and complexity of IFRS respectively. Thus with this sample the study may give an insight on how users and preparers of financial report in Nigeria perceive IFRS in terms of its quality, acceptability and its enforceability in the country.

4.4 Goodness of Measures: Factor Analysis of the Research Instrument

This analysis was carried out using a principal component analysis (PCA) with varimax rotation method to analyze the underlying structure of the inter-relationships among the items into a set of common dimensions. This analysis helped in assessing the measurement of convergent and discriminant validity. Convergent validity simply refers to the degree to which two or more measures of constructs positively correlate to one another or are in the same direction. Discriminate validity on the other hand refers to the degree to which the scales do not correlate or are not in the same direction (Malhotra, 1999). A principal component Analysis is a method that is used to help investigators represent a large number of relationships among interval-level items in a simpler way. The method allows the computer to determine which of the fairly large set of items hang to gather as a group, or are answered most similar by the participants. The PCA was conducted for the items of the independent variables and dependent variables of this study. The bottom line in PCA is to reduce the dimensionality of a data set in which there are a large number of interrelated variables, while retaining as much as possible of the variation present in the data set (Hair et al., 2010). This reduction is achieved by transforming to a new set of variables, the principal components, which are uncorrelated and which are ordered so that the first few retain most of the variation present in all of the original variables. Computation of the principal components reduces the solution of an eigenvalue problem for positive semi-definite symmetric matrix. With regards to sample size, guideline by Coakes & Steed (2003); Hair et al. (2010), suggest that a minimum of five subjects per variable are needed for factor analysis. In this research work, there are three independent variables with a sample size of 119 much higher than the minimum requirement of the needed cases for factor analysis. Other criteria suggested by Hair et al. (2010) for factor analysis and applied in this research are:

1. Sample size of the population should be above 150 respondents with at least five respondents (5 cases) to each questionnaire.
2. Bartlett's test of sphericity (test of presence of correlation among variables) need to be significant at $P<0.050$
3. Kaiser- Meyer-Olkim (KMO)/ overall measure of sampling adequacy should be at least 0.50 or above. These values are presented as part of the output from factor analysis.

4. Communalities schedule indicates the information on how much of the variance in the each item is explained. Low communality value (e.g. less than 0.50) could be deleted as it signifies that the item does not fit well with other items in the component. Removing items with low communalities value tend to strengthen the total variance explained.

5. To determine how many components (factor) to extract, we need to consider the information provided by the output: first using Kaiser's criterion that is based on components that have an eigenvalue of more than one. To determine how many components meet this criterion, we looked at the total variance explained.

The result of factor analysis for the study's dependent and independent variables are as follows:

4.4.1 Dependent Variable- Global Accounting Standards Convergence

Table 4.3 presents the result of factor analysis for global accounting convergence measured by 10 items, in one dimension was subjected to principal component analysis using SPSS version 20. Suitability of data was assessed before performing PCA. In order to increase the total variance explained one item (GAC2) having low communality (i.e. loading less than 0.5) was removed and principal component analysis was computed again. It has been observed that correlation matrix presents the existence of many coefficients above 0.3; the Kaiser-Meyer-Olkim (KMO) measure of sampling adequacy is 0.778 quite above the required value of 0.50 which simply means the sample size is appropriate for factor analysis. However, looking at the Bartlett's test of sphericity is quite statistically significant supporting the factorability of the correlation matrix as the p value is 0.000. This simply means the factor analysis is adequate to be applied. To determine how many components (factors) to 'extract', component with 1 or more eigenvalue are identified. In this case 3.708 and 1.775 are found to record eigenvalue above 1 and these two components explain 60.92% of the variance. In order to aid the interpretation of these components, varimax rotational was performed. The components were defined by nine items and were dominated by uniformity in global financial reporting and audit report to reflect the perception for the IFRS convergence. The other reasons for convergence in order of their dominance include; convergence to IFRS serves as global accounting benchmark, it strengthens the efficiency and cost-effectiveness of global capital allocation, it minimizes barriers to global competition for capital, it helps integrating different cultural, political and economic environment across the globe, improves cross-border integration of capital markets, enables investors to evaluate investment options in a global marketplace, preparers understand and have acquired the experience to apply IFRS and they were satisfied by the standard setting process, respectively.

The following table present the result of factor analysis of the dependent variable while Appendix C presents the SPSS output.

Table 4.3

Results of factor analysis for global Accounting convergence

Items		Component1
GAC1	Convergence to IFRS improves cross-border integration of capital markets	**0.622**
GAC3	Convergence to IFRS enables investors to evaluate investment options in a global marketplace	**0.632**
GAC4	Convergence to IFRS creates uniformity in global financial reporting including audit reports	**0.811**
GAC5	Convergence to IFRS minimizes barriers to global competition for capital	**0.757**
GAC6	Convergence to IFRS strengthens the efficiency and cost-effectiveness of global capital allocation	**0.78**
GAC7	Convergence to IFRS serves as global accounting benchmark	**0.796**
GAC8	Convergence to IFRS is possible despite the differing cultural, legal, regulatory, and economic environments.	**0.663**
GAC9	Convergence to IFRS is possible because of understanding, and experience by preparers of financial reports with the use of IFRS	**0.044**
GAC10	Convergence to IFRS is possible despite insufficient involvement of global regulators in the IASB standard-setting process	**0.081**
	Eigenvalue	**3.708**
	Percentage of variance	**60.92**
	KMO	**0.778**
	Bartlett's Test of Sphericity	**404.551**
	Significance	**0.00**

The above table indicates that the Kaiser-Mayer-Olkim (KMO) measure of sampling adequacy of 0.778 signifies that the sample size is quite fit to allow factor analysis.

4.4.2 Independent Variable: IFRS Acceptability

Table 4.3 presents the result of factor analysis of I FRS acceptability. The variable was measured by 10 items and was analysed using factor analysis to check for its validity using the usual process of running factor analysis via SPSS software as explained above. None of the items in the measurement was removed due to the fact that the items have satisfied the criteria for factor analysis. However, based on the correlation matrix, there are several coefficients with 0.30 and above. The Kaiser-

Meyer-Oilkin(KMO) value was 0.669 above the required value of 0.60 (Kaiser, 1974) and the Bertlett's test of Sphericity was statistically significant at 0.000 indicating the feasibility of correlation matrix. Furthermore, the principal component analysis showed the presence of two components with eigenvalue above 1 explaining 59.37% of the variance. In order to aid the interpretation of these components, varimax rotational was performed. The components were defined by ten items and were dominated by the perceived acceptance that IFRS is achieving global acceptance as a reputable set of standards for global financial reporting. Other reasons for accepting IFRS in order of their dominance; IFRS enables management and auditors to exercise more professional judgment, preparers have acquired required skills and experience to use IFRS in Nigeria, financial statement prepared under IFRS deems to be more reliable to users, Nigerian companies prefer International Financial Reporting Standards to SAS, financial statement prepared under IFRS attracts Multinational corporation, convergence to IFRS in Nigeria can be considered as timely, uniform globally accepted accounting standards produces comparable financial reporting worldwide, investors would benefit if companies worldwide prepare their financial statements using IFRS and complete convergence is possible despite of differing cultural, legal, regulatory, and economic environments, respectively.

The following table present the result of factor analysis of IFRS acceptability while Appendix C presents the SPSS output.

Table 4.4

Result of factor analysis for IFRS acceptability

Items		Component 1
IFRSA1	Investors would benefit if companies worldwide prepare their financial statements using IFRS	**0.658**
IFRSA2	Uniform globally accepted accounting standards produces comparable financial reporting worldwide	**0.678**
IFRSA3	Complete convergence is possible despite of differing cultural, legal, regulatory, and economic environments	**0.213**
IFRSA4	IFRS are achieving global acceptance as a reputable set of standards for global financial reporting	**0.818**
IFRSA5	Convergence to IFRS in Nigeria can be considered as timely	**0.694**
IFRSA6	Preparers have acquired required skills and experience to use IFRS in Nigeria	**0.794**
IFRSA7	Financial statement prepared under IFRS deems to be more reliable to users	**0.729**
IFRSA8	Nigerian companies prefer International financial reporting standards to SAS.	**0.715**
IFRSA9	IFRS enables management and auditors to exercise more professional judgment	**0.798**
IFRSA10	Financial statement prepared under IFRS attracts Multinational corporation	**0.694**
	Eigenvalue	**4.88**
	Percentage of variance	**59.37**
	KMO	**0.906**
	Bartlett's Test of Sphericity	**492.33**
	Significance	**0.00**

The above table indicates that the Kaiser-Mayer-Olkim (KMO) measure of sampling adequacy of 0.906 signifies that the sample size is quite fit to allow factor analysis.

4.4.3 Independent Variable: IFRS Enforceability

This variable was also measured by 10 items and was analyzed using factor analysis to check for its validity using the usual process of running factor analysis via SPSS software as explained above. None of the items in the measurement was removed due to the fact that the items have satisfied the criteria for factor analysis.

The result of correlation matrix revealed the present of many coefficients of 3.0 and above. Kaiser-Meyer-Oilkin (KMO) value was above the required value of 0.848, the Bertlett's test of SPhericity was significant with 0.000 value, supporting factorability of the correlation matrix. The principal component analysis however revealed the existence of two components with eigenvalue exceeding 1 explaining 59.99%

variance. Varimax rotation matrix was performed to assist the interpretation of the components. The following table presents the result of factor analysis of IFRS enforceability with their respective loading on each component.

Table 4.5
Result of Factor Analysis for IFRS Enforceability

Items		Component1
IFRSE1	Convergence to IFRS requires changes in the existing Nigeria's legal system relating to business (e.g. CAMA)	**0.639**
IFRSE2	Nigerian institutional infrastructures are strong enough to support IFRS adoption	**0.37**
IFRSE3	Nigerian Reporting council has all the necessary resources to achieve its mandate	**0.502**
IFRSE4	Nigerian accounting professional bodies are ever ready to face the challenges posed by conversion to IFRS	**0.707**
IFRSE5	There is need for improved public accountability by Nigerian accounting regulatory institutions	**0.788**
IFRSE6	There is need for changes in Nigerian auditing standards	**0.704**
IFRSE7	There is need for close working relations and collaborations with securities regulators throughout the world	**0.667**
IFRSE8	There is need to delay IFRS convergence to enable adequate enlightement.	**0.625**
IFRSE9	There should be strict disciplinary action for noncompliance	**0.793**
IFRSE10	An appropriate framework for enforcement of IFRS in Nigeria should be agreed upon by all the regulators to avoid override and inconsistency in the regulatory system	**0.776**
	Eigenvalue	**4.479**
	Percentage of variance	**59.99**
	KMO	**0.848**
	Bartlett's Test of Sphericity	**470.276**
	Significance	**0.00**

The above table indicates that the Kaiser-Mayer-Olkim (KMO) measure of sampling adequacy of 0.848 signifies that the sample size is quite fit to allow factor analysis.

4.4.4 Dependent Variable (2): IFRS Quality

Table 4.6 presents the result of factor analysis of the dependent variable 2 of the research model. Similar process was used as explained in the aforementioned variables. The variable was measured by 10 items and was analyzed using factor analysis to check for its validity using the usual process of running factor analysis via SPSS software as explained above. The result revealed that; correlation matrix presents many coefficients of 3.0 and above, KMO value was 0.919 above the required benchmark, which simply means the sample size is appropriate for factor analysis. The Bertlett's test of SPhericity was significant with 0.000 value, supporting factorability of the correlation matrix. Furthermore, the principal component analysis showed the presence of one component with eigenvalue above 1 explaining 56.32% of the variance. Varimax rotation matrix was performed to assist the interpretation of the components. The table below explains the result of factor analysis of IFRS quality.

Table 4.6

Result of Factor Analysis for IFRS Quality

Items		Component
IFRSQ1	Convergence to IFRS significantly increases the perceived quality of financial statement among the foreign financial statement users	**0.822**
IFRSQ2	IFRS is more flexible and understandable than the Nigerian GAAP	**0.821**
IFRSQ3	IFRS results in decline in the quality of Nigerian financial reporting	**0.818**
IFRSQ4	IFRS results in additional work being devoted to financial reporting as some of the new standards are more similar to Nigerian GAAP	**0.473**
IFRSQ5	IFRS results in increased costs of doing business e.g. auditing fees	**0.61**
IFRSQ6	IFRS increases global comparability of financial reports thereby promoting a more informed global marketplace	**0.779**
IFRSQ7	IFRS results in decreased in the level of earning management	**0.796**
IFRSQ8	IFRS increases the value relevance of reported earning	**0.818**
IFRSQ9	IFRS Improves quality and timeliness of management information	**0.789**
IFRSQ10	Convergence to IFRS enables harmonization and streamlining of internal and external reporting	**0.697**
	Eigenvalue	**5.63**
	Percentage of variance	**56.32**
	KMO	**0.919**
	Bartlett's Test of Sphericity	**650.147**
	Significance	**0.00**

From the above table it can be observed that the Kaiser-Meyer-Oilkim (KM) measure of sampling adequacy of 0.919 implies that the sample size is adequately sufficient for factor analysis to be carried out.

4.5 Measuring the Reliability of the Research Measurement

Cronbach's alpha statistic is known to be the best tool for measuring the reliability of any questionnaire. It is designed as measure of internal consistency of a research instrument. The measure is similar to pearson's product-moment correlation coefficient and typically varies between 0 and 1. Even though negative value is possible, such value signifies a scale in which same items measure the opposite of what other items measure. In Cronbach's alpha, the closer the alpha is to 1.00, the greater the internal consistency of items in the instrument.

The reliability test for each dimension emerged after factor analysis was carried out. The coefficient of Cronbach's alpha is widely used as a measure of reliability. Normally value of 0.7 in the Cronbach's alpha is regarded as adequate to ensure reliability of the internal consistency of the questionnaire (Nunnally, 1978).

The table 4.7 below shows the result of Cronbach'alpha of this study.

Table 4.7

Summary of Reliability Analysis of Major Variables

Variable	No. of Items	No. of Deleted Items	Cronbach's alpha
Dependent variables:			
Global Accounting convergence	10	1	0.733
IFRS quality	10		0.902
Independent Variables:			
IFRS acceptability	10		0.846
IFRS enforceability	10		0.837

The above table explains the results of Cronbach's alpha of the variables (IFRS acceptability, IFRS enforceability, global Accounting convergence and IFRS quality) used in this study. The result revealed that the instruments have an acceptable reliability as far as internal consistency is concerned. The entire instruments demonstrate the ability to give consistent results on the IFRS acceptability, IFRS enforceability, and global Accounting convergence and IFRS quality.

4.6 Preliminary Analysis

The following preliminary analyses were conducted:

4.6.1 Descriptive Statistics of the Variables

The descriptive statistics of variables of the study (IFRS acceptability, IFRS enforceability, and global accounting convergence and IFRS quality) are presented in this section. The statistical information relating to mean, standard deviation and minimum and maximum values are shown. The mean and standard deviation data explain how respondents reacted to the questions in the questionnaire.

From the table (see appendix) it was observed that, mean and the standard deviation of the first two independent variables which comprised of IFRS acceptability, IFRS enforceability with 10 items each using five point likert scale show the minimum scores of 3.25 with standard deviation 1.31 and 3.21 with standard deviation 1.20 and maximum scores of 4.33 with standard deviation of 0.72 and 4.29 with standard deviation of 0.70, respectively. This can be claimed that most of the respondents agreed with the questions.

Moreover, for the other independent variable which is global Accounting convergence, the mean minimum score is 2.78 and standard deviation of 1.26 and maximum score of 4.47 and standard deviation of 0.50. This can also be argued that the questions were accepted by the respondents.

For the IFRS quality being the second dependent variable the mean minimum score is 3.63 with standard deviation of 1.03 and maximum score of 4.27 and standard deviation of 0.70. Thus, the questions were accepted by the respondents.

Overall, all the remaining items of the respective variables had the mean scores of not less than 3.25. Meaning most respondents agreed with the questions.

However, it is important to note that the positive high mean value signifies that the questions were accepted by their respondents.

4.6.2 Bivariate Relationship between IFRS Acceptability, IFRS Enforceability, Global Accounting Convergence and IFRS Quality

Importantly, this analysis attempts to answer the objectives set for this study by determining the relationship among all the variables of interest by means of correlation analysis. However, in assessing the strength of the relationship, Pallant (2001) suggestion was applied, which states that correlation of 0 signifies no relationship, correlation of 1.0 signifies perfect positive correlation, while -0.1 indicates perfect negative correlation. To aid the interpretation of the values between 0 and 1, the following guidelines were suggested by Cohen (1998).

R= 0.1 to 0.29 or r= -0.10 to -0.29 small

R=0.3 to 0.49 or -0.3 to-0.49 medium

R= 0.5 to 1.0 or r= -0.5 to -0.10 large

Table 4.8 presents the result of correlation analysis between IFRS acceptability, IFRS enforceability, global accounting convergence and IFRS quality. The result is based on the Pearson product moment correlation coefficient. The procedure was subject to a two tailed and one tailed test of statistical significance at two different levels:

Significance (p<0.01) and significant (p<0.05). Generally, the result shows that the relationships between the all variables were statistically significant.

Table 4.8
Correlation Analysis

Correlations		Quality	Convergence	Acceptability	Enforceability
Quality	Pearson Correlation	1	.687**	.814**	.787**
	Sig. (2-tailed)		0	0	0
	N	119	119	119	119
Convergence	Pearson Correlation	.687**	1	.597**	.632**
	Sig. (2-tailed)	0		0	0
	N	119	119	119	119
Acceptability	Pearson Correlation	.814**	.597**	1	.772**
	Sig. (2-tailed)	0	0		0
	N	119	119	119	119
Enforceability	Pearson Correlation	.787**	.632**	.772**	1
	Sig. (2-tailed)	0	0	0	
	N	119	119	119	119

**. Correlation is significant at the 0.01 level (2-tailed).

4.6.3 Multivariate Relationship between IFRS Quality, IFRS Acceptability, IFRS Enforceability and Global Accounting Convergence.

In this part, the multivariate relationships among the variables were identified to provide the answers to the research objectives of the study. A correlation analysis was carried out to identify the strength and the direction of the relationship between the independent and dependent variable. Overall, the result indicates significant relationship (p<0.1). The strongest relationship was the relationship between global accounting convergence and IFRS quality (r=0.687, <0.01) on other hand the lowest relationship was the relationship between IFRS acceptability and global Accounting convergence(r=0.597, <0.01). Therefore, the study indicates that preparers and users of financial reports' perceptions towards IFRS convergence are good.

Research Hypothesis Testing: Hypothesis 1

H1: There is a positive relationship between preparers' and users' acceptability of IFRS and the convergence to IFRS.

Table 4.9 Shows that Pearson correlation between IFRS acceptability and global accounting convergence is significant as r=0.597, P= 0.000 at 0.01 level (2-tailed). Therefore, the research hypothesis (H1) is accepted.

Research Hypothesis Testing: Hypothesis 2

H2: There is a positive relationship between enforcement mechanism and the convergence to IFRS

Table 4.9 Shows that Pearson correlation between IFRS enforceability and global accounting convergence is significant as r=0.632, P= 0.000 at 0.01 level (2-tailed). Therefore, the research hypothesis (H2) is accepted

Research Hypothesis Testing: Hypothesis 3

H3: There is a positive relation between convergence to IFRS and reinforcement of financial reporting quality.

Table 4.10 Shows that Pearson correlation between global accounting convergence and IFRS quality is significant as r=0.687, P= 0.000 at 0.01 level (2-tailed). Therefore, the research hypothesis (H3) is accepted.

The result of hypothesis testing between IFRS acceptability, IFRS enforceability, global accounting convergence and IFRS quality as proposed in the hypothesis 1-3 can be summarized in table 4.9

Table 4.9
Summary of Research Hypothesis testing

Hypothesis	Statement of Hypothesis	Remarks
1	There is a positive relationship between preparers' and users' acceptability of IFRS and the convergence to IFRS.	Accepted
2	There is positive relationship between enforcement mechanism and the convergence to IFRS	Accepted
3	There is positive relation between convergence to IFRS and reinforcement of financial reporting quality	Accepted

4.7 Test for violation of assumptions for multiple regressions

In order to accomplish the underlying assumptions regarding multiple regression analysis, the following tests were carried out on the variables; outlier check, normality, linearity, multicollinearity and homoscedasticity using the analysis suggested by Hair et al. (2010). These all refer to various aspects of the distribution of scores and the nature of the underlying relationship between the variables. These assumptions can be checked from the residuals scatter plots, which are generated as part of the multiple regression procedure. Residuals are the differences between the obtained and the predicted dependent variable (DV) scores (Pallant, 2005).

4.7.1 Multiple Regressions

This was conducted to first determine the relationship between IFRS acceptability, IFRS enforceability, and global accounting convergence. At the same time, regressions analysis identifies the most contributory explanatory variable among set of independent variables that best predict decision to converge to IFRS, the same process was also applied in determining the relationship between global accounting convergence and IFRS quality. Table 4.10, table 4.11, table 4.12 and table 4.13 present the results of regression analysis respectively.

Table 4.10
Multiple Regression Result

R	R^2	Adjusted R^2	Std. Error of the Estimate	F	Sig.
.655[a]	.429	.419	.35050	43.498	0.000

Table 4.11
Multiple Regression between IFRS Acceptability, IFRS Enforceability and IFRS Convergence

	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
(Constant)	1.741	0.243		7.149	0.000
acceptability	0.221	0.090	0.271	2.451	0.016
enforceability	0.332	0.087	0.423	3.826	0.000

Dependent Variable: convergence

Overall regression result shows the model jointly explained 42.9% variance of convergence to IFRS. The model was significant at 1% level (F=43.498, sig. P= 0.000). In comparing the contribution of each of the independent variable Beta values show 0.423, P=0.000 and 0.271, P=0.016 for enforceability and acceptability respectively and which explains 42.9% variance. This also implies that enforcement mechanism makes stronger contribution in achieving global Accounting convergence.

The multiple regression R^2, and adjusted R^2 indicates how well the combination of independent variables predict the dependent variables. The standard multiple regression result shows regression equation with predictors- IFRS enforceability and IFRS acceptability were significant at R=.655, R^2=.429, adjusted R^2=.419, F=43.498, $p<0.001$.

Table 4.14 shows the multiple regressions between global accounting convergence and IFRS quality. In this case, global accounting convergence was considered as independent variable while IFRS quality served as dependent variable.

Table 4.12
Multiple regression result between global Accounting convergence and IFRS quality

R	R2	Adjusted R2	Std. Error of the Estimate	F	Sig.
.687[a]	.472	.467	.43496	104.513	0.000

Table 4.13
Multiple Regression between IFRS Convergence and IFRS Quality

	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
(Constant)	0.571	0.348		1.641	0.103
Convergence	0.890	0.087	0.687	10.223	0.000

Dependent Variable: Quality

From the above tables multiple regression model shows the following results 47.2% variance, F=104.513, p=0.000. R=.687, R^2=.472, adjusted R^2=.467. This shows the multiple regressions result is quite good.

Research Hypothesis Testing: Hypothesis 1

H1: There is a positive relationship between preparers' and users' acceptability of IFRS and convergence to IFRS.

Table 4.12 above shows multiple regression analysis between IFRS acceptability and global Accounting convergence is not significant as indicated by the p value (0.016) at 1%, therefore this hypothesis is rejected.

Research Hypothesis Testing: Hypothesis 2

H2: There is a positive relationship between enforcement mechanism and the convergence to IFRS.

Table 4.12 above shows multiple regression analysis between IFRS enforceability and global Accounting convergence is significant. The Beta value=.423, P= .000 at 0.1 level. Therefore, this hypothesis is accepted.

Research Hypothesis Testing: Hypothesis 3

H3: There is a positive relation between convergence to IFRS and reinforcement of financial reporting quality.

Table 4.15 above shows multiple regression analysis between global Accounting convergence and IFRS quality is significant. The Beta value=.687, P= .000 at 0.1 level. Therefore, this hypothesis is accepted.

4.8 Overall Discussion of the Findings

The part presents the overall discussion of the research findings based on the set objectives for the study.

4.8.1 The relationship between Global Accounting Convergence and IFRS Quality, IFRS Acceptability, and IFRS Enforceability.

The objective of this study is to assess the degree, to which convergence to IFRS reinforces financial reporting quality, to assess the degree of acceptability of IFRS by its users and its preparers and assess the enforcement mechanism put in place to make the convergence effective.

Based on the regression analysis conducted IFRS acceptability and IFRS enforceability jointly explained 42.9% of the total variance in IFRS convergence. This result empirically demonstrates that these two independent variables are strong determinants of IFRS convergence.

For achieving reporting quality as result convergence to IFRS the result of regression analysis indicates strong relationship. Meaning empirically, convergence to IFRS reinforces reporting quality.

However, the significant positive relationship between IFRS acceptability and global accounting convergence found in this study based on correlation analysis is in in line with the previous findings (Razaee, Smith & Zendi, 2010; Dochia, 2012; Lee, 2011; James & Blaszsczynski, 2010). These studies argue that convergence to IFRS enhances comparability of financial statement, minimizes the cost of doing business, strengthens financial reporting system and improves accounting knowledge to accounting students etc.

Conversely, the non- significant relationship of IFRS acceptability found in this study based on regression analysis is in line with previous studies (Pawsey, 2010; Jone & Hinggins, 2006; Youg, 2010). These studies document that convergence to IFRS may not necessarily result in the perceived reporting quality, IFRS deem to be more complex than local GAAP and result in huge cost of doing business.

Moreover, with regards to this study's positive findings on the relationship between IFRS enforceability and global accounting standard convergence, is simply reaffirmation of several studies that document that realizing the benefits attached to these global standards requires strong legal, institutional and professional support, hence, lack of stringent and clearly define enforcement and regulatory system as well as quality professional accountants may result in inefficiency and inappropriate application of IFRS. It has also been argued that having accounting standards in place does not guarantee effective regulation mechanism; institutional infrastructures for the application and enforcement of these standards are also vital in providing the standards with the aptitude to make financial information relevant for all capital markets. Likewise, achievement of IFRS targeted objectives can be concurrently accomplished with proper and sound enforcement mechanism in place (Wulandari & Rahaman, 2004; NASB, 2010; Christensen, Hail & Leuz, 2012; Preiato, Brown & Tarca, 2012; Samarasekera, Chang & Tarca, 2012).

The significant positive relationship between global accounting convergence and IFRS quality was synonymous to number of previous studies. Some of these researches claim that the improvement in reporting quality which lead to reduction in income smoothing, and increased in value relevance of reported income and firms, as well as improved comparability and cross border trade has been the result of global accounting convergence (Hail, et al., 2009; Ashbaugh & Pincus, 2001; Bartov, Goldberg & Kim, 2003; barth, 2007; Blom 2009; Latridis, 2010; Pawsey, 2010; Liu et al., 2011; Jeanjean & Stolowy 2008; Barth & Williams, 2011; Capkun, Collins & Jeanjean, 2012).

4.8.2 Summary of the Chapter

In this chapter general characteristics of the sample and descriptive statistics of the variable of interest in the study were provided. The empirical findings and hypothesis tested were also presented. In general the chapter found that IFRS quality, IFRS acceptability, IFRS enforceability are positively related to global accounting convergence. Specifically, while the result of correlation analysis presented a strong relationship between the independent and dependent variable, the result of multiple regressions showed a partial support for these relationships. The subsequent chapter presents the summary, conclusion and recommendations.

CHAPTER FIVE

SUMMARY, IMPLICATIONS, CONCLUSION AND RECOMMENDATIONS

5.0 Introduction

This chapter summarizes the research findings, draws a conclusion and proffers some recommendations.

5.1 Summary

The study tried to assess the relationship of the four variables of research interest; IFRS quality, IFRS acceptability, IFRS enforceability and the global accounting standard convergence. Specifically, the study set to achieve three objectives. Firstly, to assess the extent of acceptability of convergence to IFRS in Nigeria; secondly, to assess the enforcement mechanisms put in place to make convergence to IFRS effective in Nigeria; thirdly, To assess the degree to which convergence to IFRS reinforces financial reporting quality in Nigeria.

The study focused on organization as the unit of analysis, therefore, the population of the study comprised of Nigeria listed companies, Audit firms, investment Analyst firms and tertiary institutions. The study used hand delivery and online survey method to generate the needed data. A total of 119 useable questionnaires were returned forming 32% of the total questionnaires administered.

Factor analysis was carried out using a principal component analysis (PCA) with varimax rotation method to analyse the underlying structure of the inter-relationships among the items into a set of common dimensions. This analysis helped in assessing the measurement of convergent and discriminant validity. All the variables involved were measured by 10 items each. None of the variable was deleted except 1 (GAC2) which indicated low communality. The item was removed in order to increase the total variance explained.

However, in all the variables Kaiser-Meye-Oilkim (KMO) measure of sampling adequacy were quite above the required benchmark of 0.5, which simply indicated that the sample size was appropriate for factor analysis. To determine how many factor or component to extract, component with 1 or more eigenvalue were identified. Bartlett's tests of Sphericity were statistically significant in all cases.

Cronbach'salpha is statistically the best tool for measuring the reliability of any questionnaire. It is designed as measure of internal consistency of a research instrument. In Cronbach'alpha, the closer the alpha is to 1.00, the greater the internal consistency of items in the instrument. Therefore, based on the study's reliability analysis on the major variables, Cronbach'alpha presented greater internal consistency with the following value; 0.733, 0.902, 0.846 and 0.837 for global accounting convergence, IFRS quality, IFRS acceptability and IFRS enforceability respectively. Moreover, the statistical information relating to mean and standard deviation ranged 3.25 to 4.29. This indicated that most of the questions were accepted by the participants.

Based on the regression analysis conducted IFRS acceptability and IFRS enforceability jointly explained 42.9% of the total variance of IFRS convergence. This result empirically demonstrates that these two independent variables are strong determinants of IFRS convergence. For achieving reporting quality as a result of convergence to IFRS the result of regression analysis indicates strong relationship. Meaning empirically, convergence to IFRS reinforces reporting quality.

Generally the findings in this research work were in line with the findings in the previous studies such as (Razaee, Smith & Zendi, 2010; Dochia, 2012; Lee, 2011; James & Blaszsczynski, 2010; Wulandari & Rahaman, 2004; NASB, 2010; Christensen, Hail & Leuz, 2012; Preiato, Brown & Tarca, 2012; Samarasekera, Chang & Tarca, 2012; Hail,et al., 2009; Ashbaugh & Pincus, 2001; Bartov, Goldberg & Kim, 2003; barth, 2007; Blom 2009; Latridis, 2010; Pawsey, 2010; Liu et al., 2011; Jeanjean & Stolowy 2008; Barth & Williams, 2011; Capkun, Collins & Jeanjean, 2012).

5.2 Implications of the Study

The findings of this study have several implications to Policy makers, practitioners as well as academia.

The research will enable Nigeria policy makers to create an enabling environment for robust IFRS convergence and stringent enforcement mechanism as well as strengthening the accounting and legal infrastructure and training of local manpower to drive the transition from SAS to IFRS effective and rewarding.

Furthermore, the study will add to the existing literatures and serves as a reference material for future researchers.

5.3 Conclusion and Recommendations

Global accounting convergence has been a topic of discussion among academics and practitioners around the world. With some hailing its phenomenal success while others doubt its feasibility because of diverse cultural, political and economic settings across the globe which often leads to significant uncertainty and resistance among users and preparers of financial reports. It is in view of these, this study made an attempt to investigate the global accounting convergence in terms of IFRS quality, IFRS acceptability and IFRS enforceability in Nigeria. The belief is that these variables are critical elements in IFRS adoption in a country, and assessment of which, would give an insight towards understanding the feasibility of this new set of accounting standards in any given country and Nigeria in particular.

Interestingly, the study has presented empirical evidence on the relationships among the above identified variables. Based on these empirical findings it can however be concluded that despite the possible issues and challenges associated with convergence to IFRS, it can yet be considered as a right step, in a right direction, at a right time for Nigeria. Convergence to IFRS is in the best interest of the country in order to tap its full economic potentials and her deserving leadership within global financial market. It has been proven that convergence to IFRS has positive impact to the country's reporting system with improvement in reporting quality leading to reduction in income smoothing, and increased in value relevance of reported income. In addition, global accounting standards would go a long way in enhancing efficient and effective capital formation, thereby making accessibility to foreign capital easier and facilitation of cross border listing, encouraging International competitiveness, increasing accessibility to MNCs tax liabilities by the government, enabling investor protection, enhancing teaching and learning of IFRS in Nigerian tertiary institutions, reduction in the cost of doing business, enhancing transparency, reliability and comparability of firms financial results(Madawaki, 2012; Tarzungwe, 2012; Oyedele, 2011; Ojeka & Dickson, 2011; Iyoha & Faboyede, 2011; NASB, 2010).

However, the hard reality is for Nigeria to revisit her decision of achieving full convergence by 2014, because from the way things are going the timeline set seems to be no longer feasible.

Consequently, it is against the objectives of this study, the following recommendations are advanced;

Nigerian's convergence to IFRS must be considered as timely to enable the country to tap its full potentials within the global financial market; the timeline set for achieving full convergence needs to be adjusted to enable adequate preparation by the companies; there is need for continuous sensitization and enlightment campaign to the investing public and other stakeholders in order to get their total support and enable them understand the benefits attached to global accounting convergence; capacity building program and training of executive man power should be a continuous agenda throughout the convergence period; the professional accountancy bodies should align their continuing professional education requirements with IFAC guidelines; The university accounting curriculum needs to be revised to enable students gain exposure to practical IFRS application.

To this end, this study hereby suggests the need to further investigate the reliability of information prepared in accordance with IFRS in Nigeria. This would help in evaluating the impacts of IFRS on the Nigerian's corporate reporting system. Another area for future research is; assessment of level of preparedness of other public interest entities in Nigeria to converge to IFRS, being the next to converge by 2013.

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