Available online at
www.icas.my

Proceedings of the
5th International Conference on Accounting Studies (ICAS 2018)
16-17 October 2018, Penang, Malaysia

Market Valuation, Other Comprehensive Income and Compliance with Accounting Standards: A Case of Nigeria

Usman Aliyu Baba[a], Noor Afza Amran[b], Hasnah Shaari*[b]

[a]Department of Accounting, Ibrahim Badamasi Babangida University, New Bussa Campus, Nigeria
[b]Tunku Puteri Intan Safinaz School of Accountancy, Universiti Utara Malaysia

Abstract

Starting 2012, Nigerian listed companies are mandated to follow International Financial Reporting Standards in reporting of firm financial information. The reporting framework requires companies to report fair value gain and losses as other comprehensive income. In this study, we investigate the value relevance of other comprehensive income and compliance with International Accounting Standards (IAS) 16, IAS 19 and IFRS 7. Using 259 firm-year observations, the result shows that compliance with relevant accounting standards are positively priced by investors. One primary recommendation of the study is that reporting entities should pursue compliance of IFRS standards in order to increase reliability of financial reporting process for investors.

Keywords: compliance, accounting standards, other comprehensive income, value relevance, Nigeria.

1. INTRODUCTION

The convergence with International Financial Reporting Standards (IFRS) requires companies to incorporate the reporting of other comprehensive income. Revaluation of property, plant and equipment, fair value gain on investment and translation reserves are among the holding gains and losses included in the item of other comprehensive income. Nigerian Statements of Accounting Standards (SAS), which is referred to as NG-GAAP (IAS version adopted since 1984), remained the same until 31 December 2011 when it was replaced by IFRS standards (Report on the Observance of Standards and Codes [ROSC], 2011). Prior to 2012, no regulation mandated the presentation of a comprehensive income statement. Thus, presentation of other comprehensive income items were not required prior to 2012. With an effective date of 2012, Nigerian reporting firms were mandated to mark-to-market certain financial assets and liabilities such as the determination of the present value of non-current assets, available-for-sale marketable securities and defined benefit plan (PwC, 2011). Presumably, mandatory presentation of comprehensive income in Nigeria apparently represents an increase in disclosure level and could mean enhance transparency and comparability in the financial reporting process (PricewaterhouseCoopers (PwC), 2011).

The item of other comprehensive income is an output of application of fair value accounting. Researchers have cast doubts on whether fair value accounting will lead to transparent financial reporting, particularly when valuation models are used (Kanagaretnam et al., 2009; Lee & Park, 2013; Siekkinen, 2016). The main thrust here is that, when an active market for fair value assets and liabilities does not exist, fair value is derived based on the assumptions and estimations of managers (Song, Thomas, & Yi, 2010; Lee & Park, 2013; Goh, Ng, & Yong, 2015; Siekkinen, 2016). As fair value inputs become less observable to the investors, they are viewed as being less reliable (Maines & McDaniel, 2000; Song et al., 2010; Lee & Park, 2013, Siekkinen, 2016).

*Corresponding author.
E-mail: s.hasnah@uum.edu.my

Thus, the potential use of manager's discretion in the fair value determination often induces information asymmetry in financial reporting process, which leads to agency costs that could threaten the reliability of fair value earnings (Maines & McDaniel, 2000; Song et al., 2010; Lee & Park, 2013). Nevertheless, several studies have provided good arguments that the level of compliance (Bushee & Leuz, 2005; Kang & Pang, 2005; Hodgdon, Tondkar, Harless, & Adhikari, 2008; Hassan et al., 2009) effectively mitigate the reliability concern associated with reporting of other comprehensive income and its components. Thus, this study aims to investigate the value relevance of fair value disclosure requirement in Nigerian market.

The remainder of the paper is organized as follows. Section 2 reviews the literature and develops hypotheses. Section 3 describes data and methodology. Section 4 presents the results and provides discussion. The last section offers the concluding remarks and suggestion for future research.

2. LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

Prior studies provide evidence that reporting of comprehensive income and its components provides security markets with incremental value-relevant information over the traditional historical-cost earnings approach. For instance, Kanagaretnam et al. (2009) revealed that yearly other comprehensive income and sample partitioned up to 10 years' interval was associated with three-month stock prices and returns as compared to net income for Canadian firms. Wang et al. (2006) suggested that accumulated dirty surplus flows for samples partitioned into interval of 2, 5, and 10 years and yearly other comprehensive income were not value relevant for Australian and Dutch listed firms. Fasan et al. (2014) were motivated to examine how the implementation of revised IAS 1 has affected the extent to which the market takes other comprehensive income into account. Using an extensive data set covering firms in 19 countries from 1995 to 2010, they revealed an increase in the value relevance of other comprehensive income in the post-IAS/IFRS in 2005 and IAS 1 Revised in 2009. Using a cross-country research design for European countries, Mechelli and Cimini (2014) documented an incremental value relevance of other comprehensive income, but that value relevance was continuously lower than the net income because of non-recurring nature of its components. However, the incremental value relevance differs across European countries depending on the source of funds and the legal system.

Moreover, diverse results have been presented regarding the incremental value relevance of the components of other comprehensive such as unrealized gains and losses on available-for-sale securities, gains and losses on non-current assets, extraordinary items, pension reserves and changes in foreign currency translation reserves. For instance, Barth and Clinch (1998) documented varying results depending on asset class. The revalued aggregate PPE was strongly associated with share prices for the entire sample of firms. This evidence holds true when the sample was partitioned for smaller nonfinancial and financial firms. Cahan et al. (2000), Wang et al. (2006), Chambers et al., (2007) and Hlaing and Pourjalali (2012) documented evidence that asset revaluations have explanatory power for the market value of equities. Thus, these studies recognised fair value gains and losses on non-current assets as an important input for assessing the market value of a firm. Cahan et al. (2000) stressed further that fair value gain and losses on non-current assets provides better incremental information than net income.

In 1997, IAS 1 Revised "Presentation of Financial Statements" was issued to reinforce the level of compliance with accounting standards by reporting entities. IAS 1 Revised stipulates that financial statements should not be described as complying with IASs unless they comply with all the requirements of each applicable standard (Hodgdon et al., 2008). Despite this pronouncement, compliance with relevant accounting standard continues to be an issue. Hodgdon et al. (2008), Hussainey and Walker (2009), and Tsalavoutas (2009) claimed that compliance with IFRS disclosure requirements supported the general submission that a high level of compliance reduces information asymmetry and hence minimizes agency cost. Accordingly, these studies demonstrate a positive impact for higher compliance and an adverse effect for low compliance. These arguments are essentially relevant given the low levels of compliance with the requirements of various standards reported in the previous findings (Tsalavoutas, 2009, Hussainey & Walker, 2009).

On the face of it, the adoption of IFRS has been a great success. Of the 200 EU companies studied by the ICAEW (2007), 198 disclosed full compliance with IFRS and two disclosed partial compliance. However, the ICAEW findings indicate that the impact of IFRS adoption on companies varies significantly across countries depending on the initial degree of similarity between national GAAP and IFRS. Hodgdon, Tondkar, Adhikari, and Haress (2009) in their study of international compliance documented that compliance with disclosure was positively related to auditor size after controlling for size, profitability, gearing, and international diversification.

In Nigeria, a dearth of literature exists regarding listed firms' compliance with disclosure requirements of IAS/IFRS standards. To fill this void, this current study examines the level of compliance of firms with disclosure requirements of IAS 16, IAS 19 and IFRS 7 for firms listed on the Nigerian Stock Exchange (NSE) market. Because IAS/IFRS standards have more accounting policy choices, the standards differ in application and interpretation compared to the NG-GAAP. This could also suggest more disclosure requirements than the NG-GAAP and also differences. Implementation of IFRS has increased the need within an organization to gather, analyze and report more information to demonstrate compliance with relevant disclosure. Given that fair value gains and losses on non-current assets, gains and losses on available-for-sale financial securities and actuarial gains and losses on defined benefit plans are a product of IAS 16, IAS 19 and IFRS 7, their value relevance would probably be influenced by the disclosure of these standards for firms listed in the Nigerian market.

Prior studies have suggested that an increased level of disclosure have a positive valuation implication and reduces the agency cost of information asymmetry (Nobes, 2006; Maines & Wahlen, 2006). In terms of the disclosure requirement, a significant difference exists between the NG-GAAP and IFRS frameworks. Many standards such as IAS 16 (Revaluation of Property, Plant and Equipment), IAS 19 (Employee Benefits) and IFRS 7 (Financial instruments: Disclosures) require firms to disclose the assumptions used in determining fair value gains and losses on non-current assets, actuarial gains and losses on pension plan and fair value gains and losses on available-for-sale marketable securities. Detailed disclosure of these assumptions improves transparency and subsequently affects user's perceptions of the financial statements regarding the prospects of the reporting entity (Hope, 2003). Furthermore, greater compliance provides insights on the assumptions and accounting policy choices used to determine the recognised and measurement of accounting items. Thus, greater compliance provides more transparent financial statements, which, in turn, reduces the uncertainty of the accounting transactions and could constrain some potentially harmful managerial actions (Hope, 2003).

To the extent that the level of compliance provides relevant information about a company's prospects, levels of disclosures should be associated with market values (Hussainey & Walker, 2009), reduce analyst forecast errors and enhance the predictive power of earnings (Goncharov, Werner, & Zimmermann, 2006; Hodgdon et al., 2008). So far, evidence in the literature regarding compliance mostly concerns on voluntary disclosures (Tsalavoutas, 2009). Thus, the implication of mandatory disclosures is not "theoretically and heavily debated" (Bushee & Leuz, 2005, p. 236). In both the international arena and from the context of the present study, these arguments are essentially relevant considering the low levels of compliance with the requirements of various standards reported in the previous findings (Hodgdon et al., 2008; Hussainey & Walker, 2009).

Accordingly, a higher level of compliance suggests greater levels of "disclosure of both proprietary and non-proprietary information and/or both good and bad news" (Leuz & Wysocki, 2008; Tsalavoutas, 2009). Reporting firms that wish to reduce agency costs of information asymmetry have the opportunity to communicate their practices in a more transparent manner way by providing detailed information. By implication, a positive impact can be assumed for higher compliance, whereas a negative impact may be assumed for low compliance. Because several creative accounting practices have taken place in Nigeria some due to the low disclosure requirements (NASB, 2010; ROSC, 2011), it is expected that implementation of IFRS will underscore more a detailed disclosure that will improve the country's financial reporting system, and earnings will be more positively priced. For these reasons, the following hypothesis is tested.

H_1: Compliance with IAS 16, IAS 19 and IFRS 7 is value relevant in the Nigerian market.

3. DATA AND METHODOLOGY

3.1 Sample Selection and Data Collection

We use 259 firm-year observations that reported at least one item of other comprehensive income in statement of comprehensive income during the years 2012 until 2014. Firm-year observations for firms without data on share prices were excluded. All data regarding accounting numbers (except for other comprehensive income items) and share prices were collected from the Thomson Routers Database. Other comprehensive income items, compliance with accounting standards information, missing information from the database and nonfinancial data were hand collected from annual reports following Barth and Clinch (1998) and Cahan et al. (2000).

3.2 Research Model

We estimate Model 1 to test the impact of compliance with relevant accounting standards relating to components of comprehensive income. The disclosure of accounting procedures followed in determining the value of accounting assets and liabilities can have positive valuation implications that can reduce the agency cost of information asymmetry (Nobes, 2006; Maines & Wahlen, 2006). Being an investor-based standard, IAS/IFRS underscores detailed disclosure of the assumptions used in determining fair value gains and losses relating to IAS 16 (Revaluation of Property, Plant and Equipment), IAS 19 (Employee Benefits) and IFRS 7 (Financial instruments: Disclosures). Detailed disclosure of these assumptions could constrain some potentially harmful managerial actions, which may improve the transparency of financial reporting and subsequently affects users' perceptions of the financial statements regarding the prospects of the reporting entity (Hope, 2003). To the extent that disclosures provide relevant information about a company's prospects, disclosures should be associated with market values (Hussainey & Walker, 2009).

Following Cahan et al. (2000) and Mechelli and Cimini (2014), we used a modified Ohlson (1995) model to test the relationship between compliance with accounting standards and share prices. Model 1 tests the value relevance of compliance to disclosure requirement.

$$SPit = \beta0 + \beta1BVEit + \beta2NIit + \beta3GLNit + \beta4GLAit + \beta5GLPit + \beta6COMPLit + \beta7LNIit + \beta8NI*LNIit + \beta9FSIZEit + \beta10INDit + \beta11DEBTit + \beta12AUDRit + \varepsilon it \quad \text{………………………….…(Model 1)}$$

where,

SPit = Share price of a company i four months after financial year-end t.
BVEit = Book value of equity of firm i at time t scaled by outstanding shares.
NIit = Net income per share of company i at end of year t.
GLNit = Gains and losses on non-current assets of firm i at end of year t.
GLAit = Gains and losses on available-for-sale securities of firm i at end of year t.
GLPit = Actuarial gains and losses on pension plan of firm i at year t.
COMPLit = Compliance score of IAS 16, IAS 19 and IFRS 7.
LNIit = Indicator variable, taking the value of 1 for negative net income firms and 0 if otherwise
FSIZEit = Log of market capitalization.
INDit = NSE SIC code.
DEBTit = Ratio of total asset to total debt.
AUDRit = Auditor's reputation assigned the value of 1 for Big4 and 0 if otherwise.

All independent variables in the above equation are deflated by the outstanding shares except control variables. We measure the level of compliance based on the disclosure index as Street and Gray (2001) utilized. In the compliance literature, Cooke's (1989) dichotomous approach for measuring compliance with disclosure requirements is most common. This approach used an unweighted disclosure index where "compliance is calculated as the ratio of the total items disclosed to the maximum possible score applicable for that company" (Cooke, 1989; Street & Bryant, 2000; Street & Gray, 2001; Glaum & Street, 2003; Hodgdon et al., 2008). Following previous studies, unweighted compliance scores were based on 41 disclosure items, obtained from IAS 16 (10 items), IAS 19 (17 items) and IFRS 7 (14 items) relating to reporting fair value gains and losses in comprehensive statement. The items are coded as disclosed or not disclosed for a sample of 259 firm-year observations reporting under IFRS.

4. RESULTS AND DISCUSSIONS

4.1 Descriptive Statistics

Table 1 presents the mean, median, standard deviation, minimum and maximum value for the sample of 259 observations from year 2012 to 2014. The mean (median) of SP was ₦9.78 (₦2.68) for the period of 2012 to 2014, suggesting that the sample firms exhibited positive share. The pooled three-year mean (median) net income per share was 0.365 (0.099). The mean of GLN was 0.009, GLA was 0.003 and GLP was 0.003 with zero median values. The zero medians suggest a low frequency and magnitude of the components of other comprehensive income over the study period. The mean proportion and standard deviation for COMPL (the unweighted disclosure score) were 57 and 10 percent. The mean of COMPL levels documented in this study are somewhat low but are similar to previous statistics from emerging markets (Al-Shiab, 2008; Hassan et al., 2009; Al-Shammari et al., 2008) that have documented a low mean compliance. More specifically, the level of compliance for the sample of these studies ranged from 45 percent to 56 percent, which was about what is documented for the present study. Like in other jurisdictions, this low COMPL level in Nigeria further confirms reporting incentives problems and weak enforcement claimed in the NASB (2010) and ROSC (2011). The table also shows that approximately, 87 percent of the sample observations are audited by Big4 auditors.

Table 1. Descriptive Statistics Related to the Regression Variables for 2012-2014

Variables	Mean	Median	SD	Min	Max
SP_{it}	9.780	2.680	14.830	0.500	99.50
BVE_{it}	0.532	0.256	0.683	0.013	3.405
NI_{it}	0.365	0.099	0.897	-1.448	5.685
GLN_{it}	0.009	0.000	0.036	-0.191	0.280
GLA_{it}	0.003	0.000	0.045	-0.502	0.220
GLP_{it}	0.003	0.000	0.087	-0.551	0.655
$COMPL_{it}$	0.569	0.591	0.101	0.312	0.836
LNI_{it}	0.021	-0.432	1.018	0.000	1.000
$FSIZE_{it}$	23.710	23.431	2.422	16.52	32.58
IND_{it}	0.354	0.000	0.479	0.000	1.000
$DEBT_{it}$	0.141	0.111	0.132	0.001	0.600
$AUDR_{it}$	0.871	1.000	0.335	0.000	1.000

Notes: SP_{it} = four-month share price after the financial year-end; BVE_{it} = per share the book value of common equity; NI_{it} = net income per share; GLNit = per share changes in revaluation surplus; GLAit = per share changes in gains and losses on re-measuring available-for-sale financial assets; GLPit = per share actuarial gains and losses on defined benefit plans; $COMPL_{it}$ = compliance scores; LNI_{it} = indicator variables which equals 1 if earnings is negative and 0 if otherwise; $FSIZE_{it}$ = the log of market capitalization; IND_{it} = industry classification code; $DEBT_{it}$ = ratio of total long-term debt per total assets and $AUDR_{it}$ = assigned the value of 1 if Big 4 and 0 if otherwise and *i* and *t* refer to firm and year.

4.2 Regression Result

The implication of valuation theory and agency theory are tested in this section on the assumption that investors priced firm level compliance (valuation theory). To the extent that investors price the level of compliance, companies will take advantage by differentiating themselves through incurring the necessary high information costs to comply with the best practice, which in turn reduce agency costs of information asymmetry.

Table 2. Value Relevance of Firm Level Compliance for 2012 to 2014

Variable	Sign	Panel A: Valuation of Fair Value Coef.	Robust Error	VIF	Panel B: Valuation of COMPL Coef.	Robust Error	VIF
CONS	+/-	1.31 (1.21)	1.09	-	1.93 (2.01**)	0.96	-
BVE_{it}	+	0.51 (2.46**)	0.21	1.24	0.88 (3.20***)	0.28	1.24
NI_{it}	+	0.26 (3.17***)	0.00	1.28	0.25 (3.12***)	0.08	1.25
GLN_{it}	+	0.24 (3.31***)	0.07	1.19	0.25 (3.52***)	0.07	1.14
GLA_{it}	+	-0.03 (-0.32)	0.10	1.05	0.02 (0.16)	0.11	1.05
GLP_{it}	+	0.19 (1.80*)	0.10	1.22	0.48 (1.18)	0.41	1.14
$COMPL_{it}$	+	-	-	-	0.69 (2.01**)	0.34	1.09
LNI_{it}	-	-0.03 (-0.46)	0.06	1.05	-0.05 (-0.73)	0.06	1.06
$LNI{*}NI_{it}$	-	-0.08 (-1.53)	0.06	1.03	-0.11 (-1.87*)	0.06	1.05
$FSIZE_{it}$	+	0.02 (0.65)	0.02	1.05	0.02 (0.74)	0.02	1.05
IND_{it}	+	0.0001 (2.35**)	0.00	1.05	0.01 (2.37**)	0.06	1.06
$DEBT_{it}$	+	-0.09 (-2.15**)	-0.06	1.03	-0.09 (-2.37**)	0.04	1.03
$AUDR_{it}$	+	0.71 (4.88***)	0.15	1.54	0.70 (4.76***)	0.15	1.30
F-statistics		9.48***			9.34***		
Observations		259			259		
R^2		30.54%			34.43%		
Mean VIF				1.17			1.12

Notes: Panel A provides the regression result of the components of other comprehensive income. Panel B provides the valuation effect of $COMPL_{it}$. BVE_{it} = per share the book value of common equity; NI_{it}= net income per share; GLN_{it} = per share changes in revaluation surplus; GLA_{it} = per share changes in gains and losses on re-measuring available-for-sale financial assets; GLP_{it} = per share actuarial gains and losses on defined benefit plans. Control variables includes $FSIZE_{it}$ = is the log of market capitalization; IND_{it} = SIC code; $DEBT_{it}$ = ratio of total asset to total debt and $AUDR_{it}$ = auditor's reputation assigned the value of 1 Big4 and 0 if otherwise; and *i* and *t* refer to firm and year. *, *, **, and *** denote significance at the 10%, 5%, and 1% levels respectively.

Table 2 presents the pooled OLS result. From Panel A, the coefficients of BVE, NI, GLN and GLP for the pooled data were positive and statistically significant and the R^2 of the model was 30.54 percent. However, the inclusion of the overall COMPL score (as presented in Panel B) as a proxy for the perceived reliability leads to a little increase in the coefficients of the parameters and statistical significance. Consistent with expectations, an increase in the R^2 was achieved (increase to 34.43 percent). The coefficient of the COMPL score was positive and significant at 5 percent, suggesting that COMPL was positively priced in the Nigerian market. Firm level characteristics such as auditor reputation, debt ratio, and industry classification substantially affects the degree of disclosures.

This result demonstrated that beyond accounting numbers, nonfinancial disclosures accompanying the fundamentals of firms do convey relevant information to investors. This finding provides strong evidence on valuation implication of COMPL with relevant accounting standards in gauging the reliability of components of other comprehensive income. This position is similar to the conclusion reached in prior studies on the importance of disclosure in determining the quality of accounting information (Hodgdon et al., 2008; Leuz & Wysocki, 2008; Hassan et al., 2009; Tsalavoutas, 2009).

The implication of this result is that the level of compliance with accounting regulation is important in assessing the quality of accounting fundamentals. Theoretically, a case can made that an increased level of disclosure has positive valuation implications and can reduce the agency costs of information asymmetry (Maines & Wahlen, 2006; Hodgdon et al., 2008). Because several creative accounting practices have taken place in Nigerian as a result of the low disclosures (NASB, 2010; ROSC, 2011), this finding is essentially relevant in the Nigerian market. Accordingly, improving the COMPL level will imply a more transparent financial reporting process, reduced agency cost and hence more value reliable accounting fundamentals. Thus, H_1, which hypothesised that compliance with IAS 16, IAS 19 and IFRS 7 enhance reliability in the Nigeria market was fully supported.

5. CONCLUSION

This paper tests the value relevance of compliance with accounting standards. 259 firm-year observations from 2012 to 2014 are utilized as a sample for this study. Overall, the findings provide evidence that compliance with relevant accounting requirements enhanced the reliability of accounting information for investors. The study also documented that the fair value of non-current assets and pension liabilities are positively priced. This result underscores the importance of compliance with the reporting requirements relating to IAS 16, IAS 19 and IFRS 7. It was, therefore, concluded that fair value gains and losses of firms that disclosed relevant information are perceived to be more reliable.

The findings documented in this study are limited to the sample firms with nonzero other comprehensive income from 2012 to 2014. Inclusion of more years as data roll in and the market becomes more vibrant may change the results documented herein over time. It is also suggested that the importance of components of other comprehensive income can be gauged by investigating other information dimensions such as persistence and predictive relevance. Future research is recommended to explore these issues in Nigeria.

REFERENCES

Barth, M. E. and Clinch, G. (1998). Revalued financial, tangible, and intangible assets: associations with share prices and non-market-based value estimates, *Journal of Accounting Research, 36,* 199-233.

Bushee, B. and Leuz, C. (2005) Economic consequences of SEC disclosure regulation: evidence from the OTCBB, *Journal of Accounting and Economics, 39*, 233-264.

Cahan, S. F., Courtenay, S. M., Gronewoller P. L. and Upton, D. R. (2000). Value relevance of mandated comprehensive income disclosures, *Journal of Business Finance and Accounting*, *27*, 1273–1302.

Chambers, D., Linsmeier, T. J., Shakespeare, C. and Sougiannis, T. (2007). An evaluation of SFAS No. 130 comprehensive income disclosures, *Review of Accounting Studies, 12*, 557–593.

Cooke, T. (1989). Disclosure in the corporate annual reports of Swedish companies. *Accounting and Business Research, 19*, 113-124.

Fasan, M., Fiori, G., and Tiscini, R. (2014). OCI value relevance in continental europe:An examination of the adoption of IAS 1 revised. *Academy of Accounting and Financial Studies Journal*, *18*(4), 17-36.

Glaum, M., and Street, D. L. (2003). Compliance with the disclosure requirements of Germanys New Market: IAS versus U.S. GAAP. *Journal of International Financial Management and Accounting, 14*(1), 64-74.

Goh, B., Li, D., Ng, J., and Yong, K. (2015). Market pricing of banks fair value assets reported under SFAS 157 since the 2008 financial crisis. *Journal of Accounting and Public Policy, 34*(2), 129–145.

Goncharov, I., Werner, J.R., and Zimmermann, J. (2006). Does compliance with the German corporate governance code have an impact on stock valuation? An empirical analysis. *Corporate Governance: An International Review, 14*(5), 432-445.

Hassan, O., Romilly, P., Giorgioni, G., and Power, D. (2009). The value relevance of disclosure: Evidence from the emerging capital market of Egypt. *The International Journal of Accounting, 44*(1), 79-102.

Hlaing, K. P., and Pourjalali, H. (2012). Economic reasons for reporting property, plant, and equipment at fair market value by foreign cross-listed firms in the United States. *Journal of Accounting, Auditing and Finance*, *27*, 557-576.

Hodgdon, C., Tondkar, R. H., Adhikari, A., and Haress, D. W. (2009). Compliance with International Financial Reporting Standards and auditor choice: New evidence on the importance of the statutory audit. The International Journal of Accounting, 44,33–55.

Hodgdon, C., Tondkar, R., Harless, D., and Adhikari, W.A. (2008). Compliance with IFRS disclosure requirements and individual analysts forecast errors. *Journal of International Accounting, Auditing and Taxation, 17*(1), 1-13.

Hope, O. (2003). Disclosure practices, enforcement of accounting standards, and analysts forecast accuracy: An international study. *Journal of Accounting Research*, *41*(2), 235-275.

Hussainey, K., and Walker, M. (2009). The effects of voluntary disclosure policy and dividend propensity on prices leading earnings. *Accounting and Business Research, 39*(1), 37-55.

International Accounting Standards Board [IASB]. (2010). *The conceptual framework for financial reporting*. Retrieved from http://eifrs.iasb.org/eifrs/bnstandards/ en/framework.pdf.

International Accounting Standards Board [IASB] (2005). Improving disclosures about financial instruments (IFRS 7). Retrieved from http://www.iasplus. com/en/standards/ifrs/ifrs7.

Kanagaretnam, K., Mathieu, R., and Shehata, M. (2009). Usefulness of comprehensive income reporting in Canada. *Journal of Accounting and Public Policy*, *28*(4), 349-365. doi:10. 1016/j.jaccpubpol.2009.06.004.

Kang, T., and Pang, Y. H. (2005). Economic development and the value-relevance of accounting information- a disclosure transparency perspective. *Review of Accounting and Finance, 4*(1), 5-31.

Lee, C., and Park, M. S. (2013). Subjectivity in fair-value estimates, audit quality, and informativeness of other comprehensive income. Advances in Accounting, incorporating Advances in International *Accounting*, *29*(2), 218-231. doi:10.1016 /j.adiac.2013.05.003.

Leuz, C., and Wysocki, P. (2008). Economic consequences of financial reporting and disclosure regulation: a review and suggestions for future research. *Working Paper*, University of Pennsylvania, Massachusetts Institute of Technology (MIT), USA.

Maines, L. A., and Wahlen, J. M. (2006). The nature of accounting information reliability: inferences from archival and experimental research. *Accounting Horizons*, *20*(4), 399-425.

Maines, L. A., and McDaniel, L. S. (2000) Effects of comprehensive-income characteristics on nonprofessional investors judgments: The role of financial-statement presentation format, *The Accounting Review, 75*(2), 179-207.

Mechelli, A., and Cimini, R. (2014). Is comprehensive income value relevant and does location matter ? A European study. *Accounting in Europe, 11*(1), 59-87. doi:10. 1080/17449480. 2014.890777.

Nigerian Accounting Standard Board [NASB] (2010). *Roadmap on the adoption of international financial reporting standards in Nigeria.* Retrieved from http://financialreportingcouncil.gov.ng/attachments/article/79/RoadmapFinalReportSeptember2010.pdf

Nobes, C. (2006). The survival of international differences under IFRS: Towards a research agenda. *Accounting and Business Research, 36*(3), 233-245.

Ohlson, J. A. (1995). Earnings, book values, and dividends in equity valuation. *Contemporary Accounting Research*, *11*(2), 661-687.

PricewaterhouseCoopers [PwC] (2011). *Similarities and differences between IFRS and Nigerian GAAP*. PricewaterhouseCoopers review produced by Nigeria Country Office, February, 2011. Retrieved from http://www.academia.edu /People/Differences_and_similarities_between_IFRS_and_Nigerian_GAAP.

Siekkinen, J. (2016). Value relevance of fair values in different investor protection environments. *Accounting Forum, 40*, 1–15.

Song. C. J., Thomas. W. B., and Yi. H. (2010). Value relevance of FAS No. 157 fair value hierarchy information and the impact of corporate governance mechanisms. *The Accounting Review, 85*(4), 1375-1410.

Street, D., and Bryant, S., (2000). Disclosure level and compliance with IASs: a comparison of companies with and without U.S. listings and fillings. *The International Journal of Accounting, 35*(3), 305-329.

Street, D., and Gray, S., (2001). Observance of International Accounting Standards: Factors explaining non-compliance. Association of Chartered Certified Accountants (ACCA) Research Report, No. 74, London, UK.

Tsalavoutas, I. (2009). *The adoption of IFRS by Greek listed companies: financial statement effects, level of compliance and value relevance.* (Doctoral dissertation). Retrieved from https://www.era.lib.ed.ac.uk/handle/1842/4060.

Wang, Y., Buijink, W., and Eken, R. (2006). The value relevance of dirty surplus accounting flows in The Netherlands. *The International Journal of Accounting, 41*, 387-405.