

THE IMPACT OF COMPLIANCE WITH ACCOUNTING STANDARDS ON ASSET AND PROFITABILITY OF NIGERIAN QUOTED COMPANIES

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Abstract

The primary reason for standardization is to protect the interests of both shareholders and other stakeholders. The level profitability and extent to which business assets are secured, therefore become important items of concern to all stakeholders. Before standardization could be said to be effective it must protect the important items. The objective of this study, therefore, was to examine the impact that compliance have on profitability and asset value.

Forty-four companies that existed before the beginning of standardization in Nigeria in 1984 and which have unbroken financial records with the Nigerian Stock Exchange, were sampled for the study. Profitability, asset and compliance data of the companies were collected from the Nigerian Stock Exchange and annual reports of companies. Pearson Product Moment and Spearman's Rank Correlation statistics were used to test the impact of compliance, while student 'T' statistic was used to investigate the extent to compliance.

The study showed that Nigerian companies reasonably comply with accounting standards but the level of compliance is below the international benchmark. The study also showed that compliance resulted in improved profitability and higher net-asset, but the improvements are not significant.

The study therefore concluded that corporate compliance to accounting standards still leaves room for improvement and has not brought about improvement that is significant enough. The study recommended among others, that standards should be reviewed on continuous

basis with the aim of ensuring that better business practices are enforced using the instrument of standardization and that standards should be better complied with by companies.

Key Words: Compliance; Accounting Standards; Assets; Profitability; Nigeria Quoted Companies

INTRODUCTION

Freedom of incorporation prevails all over the world, and that includes in Nigeria. In the same manner, businesses grew continuously and more and more people continue to own stocks. Ownership of businesses is diverse and widely spread. The owners rarely control the corporations, instead, managers were running the company at their whims and accountable to no one (Drutman, 2005). Most owners take little interest in the manner of management of their companies and managers had few consequences for mismanagement. "This meant that managers could more easily use the corporation to enrich themselves, which they increasingly did" (Drutman, 2005). This era began around 1844 when the English Company Act was enacted and it continued until the stock market crash of 1926.

According to Giroux (1999), monopoly practices, price fixing, speculation, and market manipulation are part of the 'Big Business' stories, so are the market collapse of 1929 and the Great Depression. This massive market failure led to bigger and increased government regulations, including the securities markets and on the process of financial reporting. Accounting became highly regulated, directly, because of government response to the perceived market and accounting abuses.

The depression experienced in the United States of America's economy around 1929, which witnessed companies reaping off, especially, the dispersed investors masses, coupled with devastating insider related manipulations could be said to be the foundation of Accounting

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standardizations, as they are today, all over the world. Importantly, between 1938 and now, bodies set-up for purpose of regulation in the United States of America have issued standards that guide financial reporting in America. Similarly, in England, a conglomerate of accounting professional also formed the Accounting Standard Committee, to issue standards. Standardization in these two countries influenced other countries of the world including Nigeria.

Accounting in America and Britain has significant influence on developing nations, including Nigeria. Nigeria followed global developments and established the Nigeria Accounting Standard Board in 1982. American and English standards determine, significantly, the International Financial Reporting Standard (formerly International Accounting Standards), towards which developing economies' accounting standards are usually fashioned. Since 1982 when Nigeria Accounting Standard Board was established, the board has issued various standards, covering issues like disclosure of accounting policies, information to be disclosed in financial statements, taxation, investment, leasing, accounting for depreciation and most recently, abridge financial statements (thirty in total). The Accounting Standards prescribes rules and principles that are supposed to enhance business practices. On the contrary, businesses continue to suffer from problems of instability, insolvency and weak profitability.

This study, therefore, set out to investigate the relationship that exist between the extent of compliance to accounting standards and performance of Nigerian businesses. The study specifically investigated the level of compliance and the relationship between compliance and profitability and net-asset.

THEORETICAL BACKGROUND

Accounting Standardization

Accountants are responsible for preparation of accounts and financial statements. Accountants bring knowledge and skills to bear in carrying out these acts. Although there may not be anything ordinarily wrong with this, it meant

that accountants the world over used and applied varying accounting principles in treatment of accounting transactions, as long as such principles were not contravening the Generally Accepted Principles in Accounting (Oghuma and Iyoha, 2005). The procedures were not standardized and the consequences, majorly, was that given the same company, at the same point in time, but with different managements and different accounting ideologies, two different set of accounts may be generated and both giving a true and fair view. In addition, some accounting issues require judgment. The judgment can be based on individual skill, experience and the knowledge of the person passing the judgment. These variables involve individual differences and may affect the judgment. Different accountants, therefore, can produce different balance sheets for identical companies with similar characters and in the same industry (Oghuma and Iyoha, 2005).

In addition to this, the accounting profession needed more in terms of proper record keeping, transparency, compatibility and enhanced public confidence, in financial reporting. Arising from the above, standards were developed as a guiding tool, which defines how companies should display transactions and events in their financial statements. This is to ensure the needed uniformity of practice, enlightenment of users of financial reports, and provision of a framework for preparation, presentation and interpretation of financial statement (Kantudu, 2005) and (Oghuma and Iyoha, 2005). These fundamentally, should be in the best interest of the owners.

The global body for the issuance of accounting standards is the International Federation of Accountants (IFAC). The International Accounting Standard Board (formerly Committee) is the arm of IFAC that is charged with the responsibility of developing the standards and the Board has been responsible for the issuance of about seventy Standards as International Accounting Standards (IASs) or International Financial Reporting Standards (IFRSs). Countries the world over chooses between adopting the International Standard

directly, developing their own standard to reflect what the International standards have provided, with or without domestication modification, or producing different domestic standards. Whatever the individual country is adopting, serves as the measure for the regulation of their accounting and reporting.

Accounting Standardization in Nigeria

The responsibility for the development and production of Accounting Standards in Nigeria lies in the Nigeria Accounting Standard Board. The Board evolved from the then Association of Accountants of Nigeria, which was formed way back 1960 (Kantudu, 2005). Nigeria Accounting Standard Board (NASB) was established as a private sector initiative in 1982. The board became an agency of government ten years later. Although, the body issued standards with statutory backing since establishment, the enabling law for the operations of the agency was only enacted in 2003. The Functions of the Board include:

- To develop and publish in the public interest, accounting standards to be observed in the preparation of financial statements
- To promote the general acceptance and adoption of such standards by preparers and users of financial statements,
- To promote and enforce compliance with the accounting standards developed or reviewed by the board,
- To review from time to time the accounting standards developed in line with the prevalent social, economic and political environment,
- To receive from time to time, notices of non-compliance with its standards from the preparers, users or auditors of accounts,
- To receive copies of all qualified reports together with detailed explanations for such qualifications from auditors of the accounts within a period of 60 days from the date of such qualifications,

-To advise the Minister on the making of regulations under Section 356 of the Companies and Allied Matters Act 1990,

-To advise the Federal government on matters relating to accounting standards and,

-To perform such other duties which in the opinion of the Council, are necessary or expedient to ensure the efficient performance of the functions of the Board under this Act (Nigerian Accounting Standard Board Act, 2003).

The Nigerian Accounting Standard Board has domesticated standards issued by the International Standard setting body, though; Nigeria-ROSC (2004) reported significant gap between Nigeria Accounting Standards and the International Accounting Standards. The Nigerian standards are The Statement of Accounting Standards (SASs). In the report of Nigeria-ROSC 2004 twenty IASs are said to have no equivalent SASs, about 4 SASs, also, have no International equivalent. Some International standards have been dropped, which are still in use in Nigeria. Updates and revisions to IASs are not implemented in relevant SASs. Overall about 29 (now 30) SASs have been issued so far, while IAS/IFRS issued are close to 50 (now 69) (Nigeria-ROSC, 2004). These demonstrate and evidently confirm the gap said to be existing as reported.

Empirical Studies

Adeyemi (2005) studied the impacts that compliance have on financial reporting. From a study of 96 companies, the study showed that Nigerian companies comply with accounting standards reasonably well. The level of compliance is, however, less than the international benchmark of 91%, and there are variations in the depth of disclosure by the studied companies. On the impact compliance have on financial reporting, the study found 'that there is a significant positive impact of the extent of equity participation of multinational companies on the extent of compliance with accounting standard' and that 'there is no significant relationship between audit firms' size and compliance with accounting standards in

Nigeria'. Adeyemi (2005) is similar to Wallace (1988) that also examined disclosure practice by Nigerian companies, in compliance with Nigerian accounting standards. The study found that company size, ownership structure, company age, multinational affiliation, auditor's size, number of employees, stock exchange listing and profitability are associated with disclosure level.

Kantudu, (2005) assessed the level of compliance with the requirement of 'SAS No 2' 'information to be disclosed in financial statement' by Nigerian Quoted Companies. Based on a study of 25 sample firms' data for 5 years, between 1998 and 2003, the study found that gap exists between requirement of the standard and disclosure practice of listed firms. The work of Kantadu (2006) was to investigate the impact of enforcement power given to Nigerian Accounting Standard board on compliance, specifically, with the standard on employees' retirement benefits. His investigation was based on 10 years study of 30 companies and his result was that the Act has significantly influenced the application index. The study, however, showed that there is less variability on the application of accounting standard on employee retirement benefit between quoted firms in Nigeria.

Petreski (2006) investigated the effect of International Accounting Standard adoption on firms. The basis of measurement in his work was the impact of IAS on firms' management on the one hand and their influence on financial statement on the other. The latter is more relevant here, and on it, he investigated the impact IAS adoption on financial statements generally and on balance sheet and income statement specifically, using case study. On balance sheet, he discovered that some standards have caused equity to decrease and net-debt to increase, thereby increasing gearing ratio. On income statement, he observed increase in sales and operating income and consequently net income.

Oghuma and Iyoha (2006) investigated the level of compliance of listed insurance companies to accounting standards. They evaluated 15 out of the 25 listed insurance companies based on their compliance with 11 relevant standards. There

result was that quoted insurance companies generally comply with disclosure requirement of statement of accounting standards. However, in few situations where they did not comply, the concerned company preferred to pay penalty, because to pay penalty is cheaper than compliance (Oghuma and Iyoha, 2006). Izedomin (2001) that investigated the level of compliance to accounting standards in the banking industry concludes that banks could be said to be complying, significantly but not totally, with the requirements of the standards.

Nigeria-ROSC (2004) was about observance of standard and codes of accounting and auditing by Nigerian companies. It involved a review of the institutional framework for regulation and an empirical investigation of the regulated institutions. From Nigeria-ROSC (2004)'s evaluation based on a review of 45 sets of financial statement of listed companies, it observed some compliance gaps between IAS and the National Standards. The document reported that most of the entities reviewed complied with limited number of national disclosure requirements and that disclosures by companies are summarily inadequate. It, however, stated that banks generally comply with national accounting standards, despite their contravention of Bank and other Financial Institutions Act. The result of interviews as stated, contrary to the findings of financial statement review, put presentation and disclosure in financial statement as good with confirmation that the statements are, however, not free from biases and errors. All of these studies are interested in compliance alone and not the impact of compliance on owners.

Ndubizu and Sanchez (2006) examined the valuation properties of US GAAP in Chile and IAS in Peru, against the background of cross-border contracting. A major concern, according to their study is reconciliation of IAS number to US GAAP for contracts initiated using IAS. Their study revealed that earning and book value are value relevant in the two accounting regimes (IAS and US GAAP), but that the US GAAP used in Chile is more value relevant than IAS applied in Peru. Venkatachalam (1999) investigated the impact of IAS based accounting

statements' compliance with US GAAP, through form 20-F reconciliation. He found out that conversion to US GAAP is value relevant. Based on his findings, he suggested some extensions to these requirements. Form 20-F is the form completed by non-US companies listed on US stock market to reconcile their accounts to US GAAP, if US GAAP is not the original bases of preparation.

Harris and Muller (1999) investigated the market valuation of earnings and book value amount prepared under IAS and US GAAP. Their work was on thirty-one non-US company that uses IAS first, and then reconcile to US-GAAP. Their study revealed that US-GAAP earnings reconciliation adjustment is value relevant and that US-GAAP amounts are valued differently for market value and return models but not for price-per-share models. They also find out that IAS amount are more highly associated with price-per-share than US-GAAP amounts and that US-GAAP amount are more highly associated with security returns than IAS.

METHODOLOGY

The study covered the periods 2000 - 2006 (6 years). For the purpose of this study, forty-four (44) listed companies were sampled. The companies that qualified for selection are all those that were listed since 1983, and are still surviving and listed at the time of this study. Invariably, all the relevant companies to the study, with complete financial data with the Nigerian Stock Exchange were selected. Largely, standards tend to prescribe rules and principles on how financial issues are treated, what method to adopt among alternatives and in fact what and what should not be contained in financial statement. To this end, the financial data on net asset and net profit as contained in annual report and accounts of the forty-four sampled companies were extracted as our secondary data.

Compliance data were extracted from the published information of the study's sampled companies. The standards were subjected to content analysis, with the aim of, on a point-by-point basis, determining what the provisions therein are and consequently the requirement of

the standards from companies. By this, each point of compliance was identified and scores were assigned to each of the points. The financial statements are then examined for the extent to which they comply with the provisions on points, as set up in the above. The degree of compliance index was, thereafter, computed as:

$$\text{Compliance score} = \frac{\text{point scored}}{\text{Maximum possible score}} \dots\dots\dots(1)$$

Summation of score per standard divided by number of standards applicable to the companies produced the average compliance score for individual companies.

One sample 'T' test was used to investigate the degree of compliance. Using the statistics, the compliance scores obtained by the companies were compared with different benchmarks set by the investigator to be able to test the strength the scores. The table value of 'T' at 95% level of significance is 1.6449. Pearson product moment and Spearman ranked correlation statistical methods were used to investigate if compliance associates with business profitability. Whereas Pearson correlation evaluated the relationship between compliance score and profit and net-asset in each of the years studied, spearman's correlation evaluated the relationship of their rankings.

Hypothesis One

Null- Nigerian companies do not comply with accounting standards.

Alternative- Nigerian companies do comply with accounting standards.

Hypothesis Two

Null- Corporate compliance of Nigeria businesses with accounting

standards does not impact positively on performance of businesses.

Alternative- Corporate compliance of Nigeria businesses with accounting \

standards does impact positively on performance of businesses.

Hypothesis Three

Null- Corporate compliance of Nigeria businesses with accounting

standards does not impact positively on financial position of businesses.

Alternative- Corporate compliance of Nigeria businesses with accounting \

standards does impact positively on financial position of businesses.

Decision rules: For hypothesis 1, the test on degree of compliance shall be the basis for our decision. 'T' result is expected to be positive and statistically significant for accept that companies comply with standards. Alternative hypothesis 1, therefore, shall accepted if is positive and greater than 1.6449. The results for the study's correlation will be positive or negative and will between 'zero' and 'one'. Positive result indicates favourable association and the closer to one the result is, the stronger the degree of association between compliance and each of the dependent variables and vice versa. Consequently, the study's alternative hypotheses 2 and 3 shall be accepted if the study's result is positive and shall be rejected if it is negative.

FINDINGS

The following tables present the data collected in this study. Table 1 presents the profits of the selected companies for years 2000, 2002, 2004 and 2006 while table 2 presents the net-asset figures over the same period. The compliance data are presented in table 3.

INSERT TABLE 1-3 HERE

Student T Result

The table below shows the 'T' statistics for 50%, 75% and 91% test values.

INSERT TABLE 4 HERE

The table above shows that 'T' results are 38.024, 8.402 and -10.556 for 50%, 75% and 91% test values, respectively. All the results above are greater than 1.6449, meaning that they are statistically significant.

INSERT TABLE 5 HERE

The table above shows that Pearson product moment correlation results are -0.029, 0.260, 0.153 and -0.013 for 2000, 2002, 2004 and 2006 respectively when compliance was correlated with profitability. When compliance was correlated with net-assets, however, the results were 0.108, 0.095, 0.121 and 0.003 respectively. 2002 result for profitability is statistically significant at 10% level of significance.

In Spearman's rank correlation, correlation of compliance with profitability show results of 0.171, 0.332, 0.335 and 0.050 for 2000, 2002, 2004 and 2006 respectively. When compliance was correlated with net-assets the results were 0.161, 0.151, 0.202 and 0.204. Both 2002 and 2004 results for profitability are statistically significant at 10% level.

Testing of Hypotheses

The student 'T' statistics presented in table 4 are relevant to testing of hypothesis 1. The table value of 'T' at 95% confidence limit, which the study is adopting, is 1.6449. When the test values were set at both 50% (half) and 75% (three-quarter) the calculated 'T's are 38.024 and 8.402 respectively. These indicated that compliance levels of Nigerian companies are statistically significantly greater than 50% and 75% benchmarks. The implication of this is that the study's alternative hypothesis which stated that 'Nigerian companies do comply with accounting standards' could be up held. The meaning of this is that Nigerian companies could be said to be complying with the standards issued by the Nigerian Accounting Standard Board. It should be noted, however, that when the test level was set at 91%, which is the international benchmark, the result was -10.556. This is a significantly negative result and it implies that room exists for improvement on compliance.

Table 5 contains the results relevant to testing of hypotheses two and three. For hypothesis 2, profitability was the variable used to represent performance. Out of the eight correlations computed to evaluate profitability, six were positive and only two negative. Three out of the six positive results are statistically significant at 10% level while none of the negative results is

statistically significant. Based on the above and going by our stated rule, the study accepts the alternative hypothesis that 'Corporate compliance of Nigeria businesses with accounting standards does impact positively on performance of businesses'. The meaning of this is that compliance with accounting standards leads to improved profitability.

For hypothesis 3, net-asset was the variable used to represent financial position. All eight correlations are positive and based on this, the study's alternative hypothesis that 'Corporate compliance of Nigeria businesses with accounting standards does impact positively on financial position of businesses' can be accepted. The meaning is that as companies comply, assets of the business grow. It is, however, important to note that none of the results is statistically significant. The implication of this is that the resulting improvement in net-asset to compliance with accounting standards is insignificant.

CONCLUSION

Based on the findings in the study, the study concludes that:

- Nigerian companies do comply with standards issued by The Nigerian Accounting Standard Board.
- The level of compliance is below the international benchmark of 91%.
- Compliance with accounting standards resulted in improved profitability and asset position.
- The improvements are marginal and mostly insignificant.

Based on the conclusions above, the study recommends that standards should be better complied with by companies and that more standards that can improve business performance should be issued. Generally, business practices and procedures should be reviewed continuously with the aim that areas were best practices that can aid doing-business could be identified and such practices developed to standards (Kasum, 2009). In line with the above recommendations, relevant

institutions should expedite actions towards bringing Nigeria up to the global practice where countries are converging to the International Financial Reporting Standards, which is known to be richer and wider in scope and coverage.

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Table 1: Profitability data

Companies	2000	2002	2004	2006
A.G LEVENTIS	70,575,000	59,565,000	240,992,000	468,000,000
AFPRINT	-141,555,000	65,633,000	-618,407,000	11,974,000
AFRICAN PETROLEUM	-20.434762b	2,156,893,000	890,120,000	2,161,530,000
BERGER PAINTS	19,947,000	85,941,000	101,542,000	81,678,000
CADBURY	1.064163b	2,249,078,000	2,812,623,000	-4,665,459,000
CAP PLC	8,809,000	140,806,000	161,455,000	312,748,000
CAPPA & D'ALBERTO	119,091,000	25,509,000	126,114,000	127,946,000
CFAO	235,831,000	689,957,000	-1,123,119,000	-1,225,053,000
CHELLARAMS	25,735,000	31,305,000	56,127,000	72,500,000
COSTAIN(W. AFRICA)	36,894,000	20,048,000	-469,010,000	-1,488,639,000
DN MEYER	45,743,000	75,333,000	62,680,000	60,753,000
DUNLOP	189,282,000	96,580,000	-316,027,000	-667,356,000
FIRST BANK	4.739b	4,776,000,000	14,853,000,000	21,833,000,000
GLAXO SMITHKLINE	66,005,000	497,053,000	955,261,000	1,082,290,000

GUINNESS	3.09457b	4,149,536,000	7,913,503,000	7,440,102,000
INCAR NIGERIA PLC	-2,814,000	-18,422,000	-33,960,000	1,008,000
JOHN HOLT	-75,000,000	179,000,000	70,000,000	-476,000,000
LEVER BROTHERS	853,992,000	1,571,918,000	2,167,249,000	-1,617,615,000
LIVESTOCK FEEDS	-66,364,000	-66,364,000	-237,114,000	748,424,000
MOBIL OIL	198,122,000	474,230,000	1,759,468,000	1,716,208,000
MORISON INDUSTRIES	3,183,000	6,341,000	9,667,000	8,147,000
NIG. BOTTLING COY	738,358,000	4,170,544,000	3,032,322,000	766,248,000
NIGERIAN BREWERIES	4.254776b	9,218,954,000	5,086,403,000	10,900,524,000
NIG. ENAMELWARE	9,957,000	15,966,000	15,970,000	6,343,000
NIGERIAN ROPES	3,799,000	9,804,000	14,355,000	22,754,000
NIG WIRE INDUSTRIES	771,000	36,202,369	-39,856,000	-18,969,000
NORTH. NIG FLOUR	58,956,000	149,640,000	138,499,000	55,071,000
P.S MANDRIES	17,659,000	31,804,000	10,557,000	8,427,000
P.Z INDUSTRIES	932,348,000	1,685,918,000	3,303,662,000	3,235,587,000
PHARMA DEKO PLC	-71,554,000	42,304,000	30,619,000	8,216,000
POLY PRODUCTS	-43,944,000	21,053,000	12,209,000	725,000
R.T BRISCOE NIG. PLC	32,245,000	166,418,000	155,445,000	531,776,000
ROADS NIGERIA PLC	-33,316,000	-19,780,000	-4,783,000	11,957,000
S.C.O.A NIGERIA PLC	166,000,000	104,000,000	-327,000,000	733,000,000
STUDIO PRESS NIG.PL	-21,478,000	-47,629,000	30,044,000	55,095,000
TOTAL NIGERIA PLC	1.395472b	2,514,087,000	2,778,904,000	2,516,693,000
U.A.C	105,800,000	1,166,200,000	1,570,100,000	3,203,600,000
U.B.A	3.178b	1,566,000,000	4,525,000,000	11,550,000,000
U.T.C	54,907,000	-370,565,000	-74,115,000	52,561,000
UNION BANK	3.7581879b	5,633,000,000	8,341,000,000	10,802,000,000
UNITED NIG. TEXTILES	-684,080,000	1,074,344,000	132,087,000	-756,502,000
VITAFOAM	151081000	258,401,000	272,234,000	275,118,000
VONO	11,987,000	15,072,000	-218,862,000	134,000
W. AFRICA. PORT CEMT.	660,927,000	-1,348,000,000	-3,401,000,000	10,678,000,000

Source: Nigerian Stock Exchange Fact Book 2001, 2003, 2005 and 2007

Table 2: Net-Asset data

Companies	2000	2002	2004	2006
A.G LEVENTIS	1,934,628,000	4,046,651,000	3,438,429,000	4,046,651,000
AFPRINT	2,742,566,000	832,370,000	1,939,956,000	832,370,000
AFRICAN PETROLEUM	-19.91735	2,455,230,000	-7,568,785	2,455,230,000
BERGER PAINTS	425,201,000	965,293,000	496,385,000	965,293,000
CADBURY	2,617,281,000	2,181,121,000	10,848,768,000	2,181,121,000
CAP PLC	39,229,000	857,065,000	594,747,000	857,065,000
CAPPA & D'ALBERTO	490,351,000	1,057,169,000	840,132,000	1,057,169,000
CFAO	1,610,814,000	328,187,000	1,653,913,000	328,187,000
CHELLARAMS	914,567,000	2,015,407,000	1,435,520,000	2,015,407,000
COSTAIN(W. AFRICA)	54,282,000	-1,349,945,000	110,490,000	-1,349,945,000
DN MEYER	303,208,000	163,357,000	313,148,000	163,357,000

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DUNLOP	1,546,428,000	6,900,327,000	587,948,000	6,900,327,000
FIRST BANK	15,265,000,000	64,277,000,000	41,605,000,000	64,277,000,000
GLAXO SMITHKLINE	1,047,886,000	4,193,075,000	2,517,722,000	4,193,075,000
GUINNESS	10,681,154,000	20,947,782,000	16,908,244,000	20,947,782,000
INCAR NIGERIA PLC	104,461,000	323,879,000	56,721,000	323,879,000
JOHN HOLT	483,000,000	2,311,000,000	2,603,000,000	2,311,000,000
LEVER BROTHERS	3,484,765,000	3,953,348,000	6,072,800,000	3,953,348,000
LIVESTOCK FEEDS	250,812,000	-343,406,000	-830,728,000	-343,406,000
MOBIL OIL	1,018,563,000	2,833,678,000	882,551,000	2,833,678,000
MORISON INDUSTRIES	99,180,000	119,955,000	110,177,000	119,955,000
NIG. BOTTLING COY	11,319,193,000	20,047,083,000	18,699,659,000	20,047,083,000
NIGERIAN BREWERIES	24,865,477,000	36,249,393,000	31,278,969,000	36,249,393,000
NIG. ENAMELWARE	72,358,000	118,088,000	102,835,000	118,088,000
NIGERIAN ROPES	12,404,000	286,269,000	249,278,000	286,269,000
NIG WIRE INDUSTRIES	14,301,000	223,175,000	247,901,000	223,175,000
NORTH. NIG FLOUR	400,656,000	846,220,000	725,565,000	846,220,000
P.S MANDRIES	87,785,000	219,224,000	202,034,000	219,224,000
P.Z INDUSTRIES	10,889,568,000	27,055,099,000	18,701,185,000	27,055,099,000
PHARMA DEKO PLC	56,761,000	423,288,000	144,988,000	423,288,000
POLY PRODUCTS	211,603,000	240,169,000	245,732,000	240,169,000
R.T BRISCOE NIG. PLC	389,952,000	2,207,970,000	1,785,118,000	2,207,970,000
ROADS NIGERIA PLC	84,197,000	42,280,000	26,647,000	42,280,000
S.C.O.A NIGERIA PLC	814,000,000	787,000,000	929,000,000	787,000,000
STUDIO PRESS NIG.PLC	319,317,000	944,447,000	294,901,000	944,447,000
TOTAL NIGERIA PLC	2,557,207,000	5,765,754,000	3,742,235,000	5,765,754,000
U.A.C	4,506,700,000	16,099,200,000	11,150,000,000	16,099,200,000
U.B.A	7,336,000,000	48,535,000,000	19,533,000,000	48,535,000,000
U.T.C	175,447,000	688,828,000	119,276,000	688,828,000
UNION BANK	12.8591879b	100.5b	39,732,000,000	100,500,000,000
UNITED NIG. TEXTILES	5,591,875,000	962,274,000	9,717,363,000	9,016,410,000
VITAFOAM	418,868,000	268,209,000	772,069,000	962,274,000
VONO	178,547,000	25,015,000,000	-21,530,000	268,209,000
W. A. PLand. CEMT.	9,730,808,000	4,046,651,000	2,637,000,000	25,015,000,000

Source: Nigerian Stock Exchange Fact Book 2001, 2003, 2005 and 2007

Table 3: Compliance Statistics

S. No	Company Name	SAS2	SAS3	SAS4	SAS6	SAS7	SAS8	SAS9	SAS 11	SAS 13	SAS 18	SAS 19	SAS 21	Avg
1	A G LEVENTIS	0.81	1.00	0.86	0.67	0.83	0.67	1.00	0.67	0.75	0.90	0.67	0.80	0.80
2	AFPRINT	0.55	0.80	0.67	0.75	0.67	0.33	0.85	NA	0.50	0.72	0.50	0.40	0.61
3	A P	0.81	1.00	0.83	1.00	0.67	0.80	1.00	0.80	1.00	0.86	0.69	0.75	0.85
4	BERGER PNT	0.81	1.00	0.83	NA	0.83	0.50	1.00	0.60	0.50	1.00	0.69	1.00	0.80
5	CADBURY	0.83	1.00	0.86	1.00	0.83	0.83	1.00	NA	1.00	0.90	0.92	1.00	0.92
6	CAP Plc	0.81	0.90	0.83	1.00	0.83	0.83	0.85	0.25	0.50	0.89	0.77	0.80	0.77
7	CFAO	0.79	1.00	0.83	NA	0.83	0.83	1.00	NA	0.50	1.00	0.77	1.00	0.86

8	CAPPA	0.86	0.90	0.86	0.50	0.83	0.67	0.92	NA	1.00	0.86	0.85	1.00	0.84
9	CHALLARAMS	0.79	0.80	0.67	0.67	0.83	0.83	0.85	0.80	0.83	0.10	0.75	1.00	0.74
10	COSTAIN	0.86	1.00	0.67	0.75	0.83	0.67	1.00	NA	0.80	0.82	0.62	0.75	0.80
11	MEYER	0.76	1.00	0.86	NA	0.83	0.67	1.00	0.25	NA	0.88	0.92	0.75	0.79
12	DUNLOP	0.79	1.00	1.00	0.75	0.83	0.71	1.00	0.50	0.50	0.85	0.77	0.75	0.79
13	FIRST Bank	0.79	1.00	NA	0.80	0.67	0.67	1.00	0.50	0.50	1.00	0.85	1.00	0.80
14	GSK	0.90	1.00	1.00	NA	0.83	0.83	1.00	0.80	1.00	1.00	0.77	0.75	0.90
15	GUNNESS	0.86	1.00	0.83	1.00	0.83	0.83	1.00	0.50	NA	0.85	0.92	1.00	0.87
16	INCAR	0.81	1.00	0.83	NA	0.83	0.83	1.00	0.25	0.40	0.75	0.85	0.75	0.75
17	JOHNHOLT	0.86	0.90	0.86	NA	0.83	0.83	0.85	0.50	1.00	0.90	0.77	1.00	0.85
18	LBN(Unilever)	0.81	0.90	1.00	0.80	0.67	0.78	0.92	NA	NA	0.85	0.62	1.00	0.84
19	LIVESTOCK	0.76	1.00	0.83	0.80	0.83	0.83	1.00	0.25	NA	0.83	0.77	1.00	0.81
20	MOBIL	0.93	1.00	0.71	1.00	0.83	0.67	1.00	0.75	1.00	0.92	0.93	1.00	0.90
21	MORRISON	0.71	1.00	1.00	NA	0.83	1.00	1.00	0.25	NA	0.90	0.77	0.75	0.82
22	NBC	0.83	1.00	0.86	0.86	0.83	0.83	NA	1.00	1.00	0.85	0.92	1.00	0.91
23	NIG BREWERY	0.86	1.00	0.86	0.67	0.83	0.88	1.00	NA	0.67	0.83	0.92	1.00	0.87
24	NIG ENAMEL	0.76	0.60	0.83	NA	0.83	0.83	0.69	0.25	NA	0.80	0.92	0.75	0.73
25	NIG ROPES	0.81	1.00	0.71	NA	0.83	0.83	1.00	NA	NA	0.88	0.92	1.00	0.89
26	NIG WIRE	0.79	1.00	0.86	0.67	0.83	0.83	1.00	1.00	NA	0.89	0.54	0.75	0.83
27	N.N. FLOUR	0.81	1.00	0.71	NA	0.83	0.67	1.00	NA	0.50	0.89	0.92	1.00	0.83
28	P.S.Mandress	0.83	0.80	0.67	NA	0.83	0.50	0.85	0.75	1.00	0.75	0.92	1.00	0.81
29	PZ	0.83	1.00	0.86	NA	0.83	0.83	1.00	0.25	1.00	0.92	0.92	1.00	0.86
30	PHAMADEKO	0.79	1.00	0.83	0.60	0.83	0.83	1.00	1.00	NA	0.92	0.85	1.00	0.88
31	POLYPRODCT	0.86	1.00	0.71	NA	0.83	0.83	1.00	0.60	1.00	0.90	0.92	1.00	0.88
32	R. T. BRISCOE	0.83	1.00	0.86	0.67	0.83	0.67	1.00	0.25	0.50	0.85	0.92	1.00	0.78
33	ROADS Nig.	0.81	1.00	NA	1.00	0.83	0.67	1.00	NA	0.80	0.80	0.85	0.75	0.85
34	SCOA	0.86	0.90	1.00	1.00	0.83	0.67	0.92	1.00	0.25	0.86	0.50	1.00	0.82
35	SPN Packaging	0.83	0.80	0.71	0.75	0.71	0.67	0.85	NA	0.50	0.86	0.85	1.00	0.78
36	TOTAL	0.86	1.00	0.86	NA	0.83	0.92	0.83	NA	0.50	0.86	0.79	1.00	0.85
37	UAC	0.79	0.90	0.60	0.75	0.83	0.67	0.92	NA	0.83	0.89	0.62	0.75	0.78
38	UBA	0.71	1.00	NA	NA	0.83	0.67	1.00	1.00	0.50	1.00	0.77	0.75	0.82
39	UTC	0.86	1.00	0.86	1.00	0.83	0.83	1.00	0.25	0.50	0.86	0.62	0.75	0.78
40	UNION BANK	0.76	1.00	NA	0.75	0.82	0.67	1.00	0.83	0.50	0.50	0.71	1.00	0.78
41	UNTL	0.83	1.00	0.86	1.00	0.83	0.67	1.00	0.25	1.00	0.87	0.92	1.00	0.85
42	VITAFOAM	0.83	1.00	0.83	0.80	0.83	0.67	1.00	0.25	0.67	0.82	0.92	1.00	0.80
43	VONO	0.76	0.90	0.86	0.60	0.83	0.83	0.92	0.50	NA	0.82	0.92	1.00	0.81
44	WAPCO	0.86	0.90	0.86	0.60	0.83	1.00	0.92	0.25	0.80	0.86	0.93	1.00	0.82

Source: Author's Field Study, 2009

Table 4: Student 'T' statistics results

Test Values	Conf. Level	Std. Devtn.	T Statistics
50%	95%	0.05598	38.024
75%	95%	0.05598	8.402
91%	95%	0.05598	-10.556

Source: Author's Computation, 2010

Correlation Results

The table below presents both the Pearson product moment and Spearman's rank correlation results for the study.

The Impact of Compliance with Accounting Standards on Assets and Profitability of Nigerian Quoted Companies

Table 5: Correlation Results

Measurement Items		R			
		2000	2002	2004	2006
Compliance and Profitability	Pearson	-0.029	0.260*	0.153	-0.013
	Spearman's	0.171	0.332*	0.335*	0.050
Compliance and Asset	Pearson	0.108	0.095	0.121	0.003
	Spearman's	0.161	0.151	0.202	0.204

Source: Author's Computation, 2010