



# ACCOUNTING ATTRIBUTES AND FINANCIAL DISCLOSURE OF MANUFACTURING FIRMS IN NIGERIA

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## **ABSTRACT**

*This study on accounting attributes and financial disclosure of listed manufacturing firms in Nigeria investigated the effect of accounting reliability and relevance attributes on income statement and statement of financial position disclosure of Nigerian manufacturing firms. The study used descriptive and ex-post facto research design, the sample size was twelve (12) firms while data for the study were sourced from secondary sources specifically annual reports and accounts of the selected manufacturing firms. Data generated for this study were analyzed using Panel Estimated Generalized Least Squares method of E-view10 statistical package. Analyses were carried out using frequency, percentages and mean. However, from the findings the study revealed that accounting reliability quality has insignificant effect on income statement disclosure of listed manufacturing firms in Nigeria. In addition, it was also revealed that accounting relevance quality has significant effect on income statement disclosure of listed manufacturing firms in Nigeria. Furthermore, it also discovered that accounting reliability quality has significant effect on statement of financial position disclosure of listed manufacturing firms in Nigeria and finally the study equally revealed that accounting relevance quality has insignificant effect on statement of financial position disclosure of listed manufacturing firms in Nigeria. Thus, the study therefore, recommended that manufacturing firms should adopt a culture of honesty, verifiability and impartiality in disclosing information to boost stakeholder's confidence and reliability quality in the financial statements. They should as well ensure that financial information with predictive and confirmatory value are disclosed in the financial statement to help in*

*providing insight into business opportunities, risk as well as possible future scenario of the entity. Lastly, that all the accounting attributes used in this study be sustained and improved on by the accounting regulating agency in Nigeria, including all other stakeholders in the manufacturing sector because of its role in constraining managers from acting opportunistically in the preparation of financial reports and disclosure.*

**KEYWORDS:** *Accounting Attributes, Relevance, Reliability, Faithful Representation and Financial Disclosure, Income Statement, Statement of Financial Position*

## 1.0 INTRODUCTION

Since the practice of accounting in its true sense is as old as the origin of man himself, it would be impossible to trace the history of accounting with any degree of certainty. Nevertheless, accounting practices can be traced back to ancient civilizations such as Mesopotamia, Egypt, and ancient Greece, where rudimentary forms of record-keeping and financial reporting were prevalent. During the medieval period, accounting practices evolved further, particularly with the rise of trade and commerce in Europe. The development of double-entry bookkeeping by Luca Pacioli in his seminal work "Summa de Arithmetica" in 1494 marked a significant milestone in accounting history (Dibia, 2019). However, the advent of the Industrial Revolution in the 18th and 19th centuries brought about profound changes in accounting practices. With the expansion of industrial enterprises and the emergence of joint-stock companies, accounting evolved to meet the growing demands of investors, creditors, and regulatory authorities. Also, 20th century witnessed significant advancements in accounting theory and practice, leading to the development of accounting standards, principles, and frameworks. The establishment of regulatory bodies such as the International Accounting Standards Board (IASB) globally contributed to the standardization of accounting attributes and financial reporting practices, shaping the measurement and disclosure of financial information (Francis, Taiwo, Solabomi & Amos, 2019).

The accounting attributes, also known as accounting qualities or characteristics, are fundamental values that are required of audited financial statements. It ensures that financial information presented in financial statement is relevant, reliable, comparable, understandable, material, verifiable, timely, consistent and complete in all ramifications (Hamidzadeh & Zeinali, 2015). These attributes helps in the development and evaluation of accounting standards and practices, ensuring that financial reporting serves its intended purpose of providing meaningful and reliable information to stakeholders for decision-making (IASB, 2015). The Financial Accounting Standard Board (FASB), which is one of the leading authorities on the evaluation of financial reporting, stipulates that the main characteristics of financial reports are relevance, reliability, transparency and Clarity (Lu, Richardson & Salterio, 2011). Financial reporting quality connotes the faithfulness of the information conveyed by the financial reporting process (Martínez-Ferrero, Garcia-Sanchez & Cuadrado-Ballesteros, 2015). A commonly accepted definition of quality financial reporting is provided by Jonas & Blanchet (2000) as cited in Chukwuani & Ugwoke (2019) that quality financial report is one with full and transparent financial information that is not designed to obfuscate or mislead users. Therefore, financial reports should meet certain qualitative criteria to accomplish its purpose. Thus, financial reporting quality requires companies to voluntarily expand the scope and quality of the information they report, to ensure that market participants are well informed in making decisions on investment, credit, and other financial decisions. However, adequate disclosure is a fundamental pillar to all users of financial statement for efficient economic decision (Bushra, 2023). Accounting disclosure is done through the preparation of a set of financial reports in accordance with established rules and standards, in order to communicate the information that users seek to help make informed decisions. Disclosure of non-financial information helps to improve the quantity and quality of information and increases users' confidence in disclosed information. The level of disclosure of crucial information in financial reports therefore plays a vital role in reducing uncertainty and information asymmetry gap, which helps stakeholders to objectively assess the company's performance. Hence, facilitate greater transparency which will in turn reduce the information asymmetries and satisfies investors and other stakeholders' information needs (Lambert, Leuz & Verrecchia, 2007).

On the other hand, financial statement been reasonably free from error and bias and faithfully represents what is intended is one essential quality that boost user confidence (Hassan & Bello, 2013). A common complaint among investors in Nigeria is that financial information on company performance is either unavailable or, if provided, lacks some of the above mentioned qualities (Shehu, 2011). From the above scenario, this study is therefore been conducted to shed more light on the accounting attributes and it effect on financial disclosure of selected manufacturing firms in Nigeria.

## Statement of the problem

To mitigate agency conflicts, manufacturing firms are required to implement various monitoring and control mechanisms. One of such mechanism is to produce quality financial report and disclose adequately. Therefore, manufacturing firms should provide quality financial statements, which include income statement, statement of financial position, cash flow statement and so on, aimed at disclosing compulsory and voluntary financial information regarding their operation and financial performance to enhance reliability, relevance, and comparability of the financial report by stakeholders. However, this cannot be said to have been achieved as a result of certain events occurring in many corporations which has cast doubt on the quality of financial report of most firms regarding accounting scandals that had gripe Nigeria and other foreign institutions, this has brought concerns and skepticism about the quality of financial report and its disclosures. In support of the above statement, notable firms like Enron, Marconi, Parmalat, Worldcom, Cadbury, as well as Bank Oceanic have engaged in falsification of financial statements and financial fraud; of course this reduced the investors' confidence in their published financial report hence quality (Biddel, Hilary & Verdi, 2009). Despite numerous measures by the foreign institutions to boost the quality of financial report, which reached its peak at the beginning of International Financial Reporting Standards (IFRS) and its succeeding acceptance by a meaningful number of nations, the wave of firm offense and fraud was retained on a universal extent. Particularly, in 2014, after an examination; Glaxo Smith Kline (GSK) was engaged in widespread corporate corruption to the tune of £320m as a result of the low quality of the financial report (Okunbor & Dabor, 2018). Also, in 2015 the Financial Reporting Council of Nigeria suspended the Chairman, two directors and the CEO of Stanbic IBTC Bank for filing false financial statements between 2013 and 2014 (Ajiboye & Ibrahim, 2022).

Furthermore, in Nigeria, it has observed that few studies have been conducted on accounting attributes and financial disclosure, which were mostly concerned with human resource accounting disclosure and financial performance; Firms characteristics and financial reporting quality; corporate board attributes and environmental accounting disclosure; Firms specific characteristics and quality financial reporting, such as the work of Oladele, Aribaba, Lateef, & Ajayi (2018) Soyemi & Olawale (2019) Hussaini, Riffat, Ghousia, Samera, Ja'afar, & Raziga (2022) and Efut, Ugochukwu & Emmanuel (2022). This means that none of the studies conducted in Nigeria used financial disclosure as dependent variable and accounting attributes as explanatory variable to the best of my knowledge.

Also, the period covered by the previous studies conducted in Nigeria on quality financial reporting and environmental accounting disclosure mostly terminated at 2022. From this, it is evident that a lot of developments have taken place which affects accounting attributes and financial disclosure in manufacturing sector that needs urgent attention. So far, the sector has attracted little or no research effort with respect to accounting attributes and financial disclosure. This study is an attempt to fill these gaps that have been identified.

Moreover, going by the important of financial reporting quality and its disclosure value to organization, investors, shareholders, and the overall functioning of the system, it is imperative to investigate the effect of accounting attributes on financial disclosure in order to close the gap of mixed and inconsistent results from the few prior studies and as well provide current empirical investigation in this area of insufficient research activity hence necessitated the need for this present study.

## Objectives of the study

The main objective of this study is to ascertain the effect of accounting attributes on financial disclosure of manufacturing firms in Nigeria. However, the specific objectives are to:

- i. determine the effect of accounting reliability quality on income statement of listed manufacturing firms in Nigeria.
- ii. ascertain the effect of accounting relevance quality on income statement of listed manufacturing firms in Nigeria
- iii. examine the effect of accounting reliability quality on statement of financial position of listed manufacturing firms in Nigeria, and
- iv. To evaluate the effect of accounting relevance quality on statement of financial position of listed manufacturing firms in Nigeria.

## Research questions

In line with the above specific objectives, the following questions guided the study:

- i. To what extent has the accounting reliability quality affected the income statement of listed manufacturing firms in Nigeria?
- ii. What are the effects of relevance quality on income statement of listed manufacturing firms in Nigeria

- iii. What extent has the accounting reliability quality impacted on statement of financial position of listed manufacturing firms in Nigeria?
- iv. To what extent has the accounting relevance quality affected the statement of financial position of listed manufacturing firms in Nigeria?

### Research hypotheses

In line with the specific objectives of the study, the following hypotheses have been formulated in null form:

**H<sub>01</sub>.** Accounting reliability quality has no significant effect on income statement of listed manufacturing firms in Nigeria.

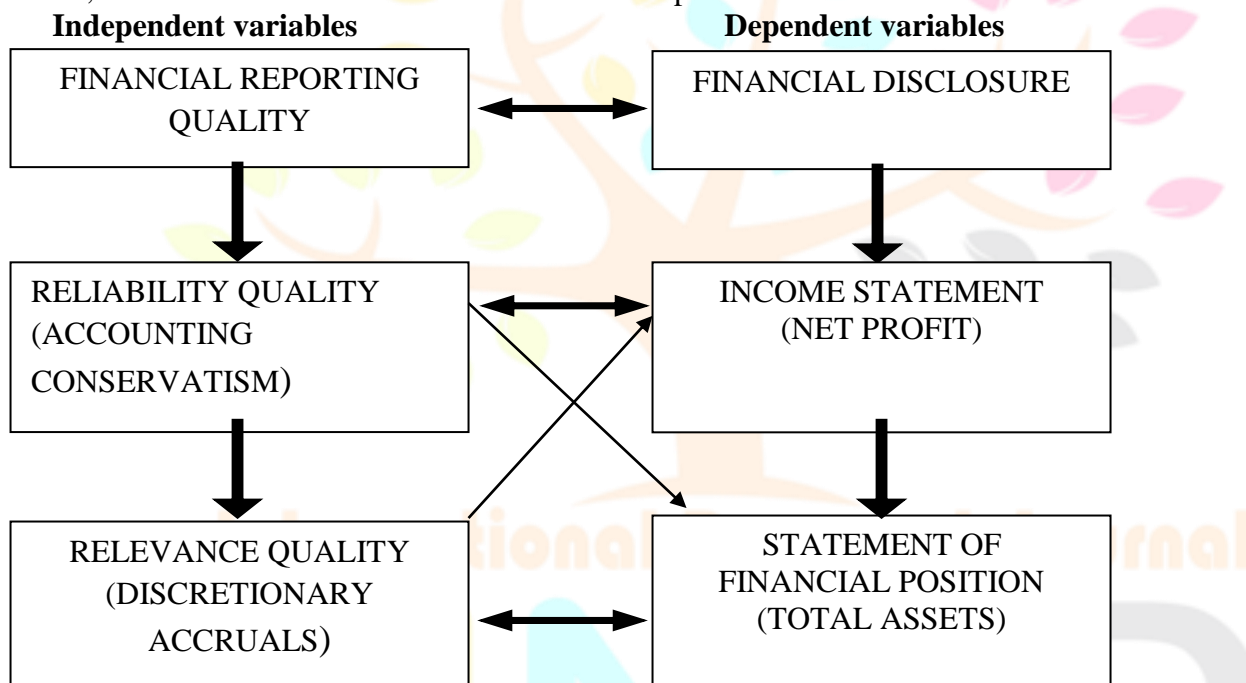
**H<sub>02</sub>.** Accounting relevance quality has no significant effect on income statement of listed manufacturing firms in Nigeria.

**H<sub>03</sub>.** Accounting reliability quality has no significant influence on statement of financial position of listed manufacturing firms in Nigeria.

**H<sub>04</sub>.** Accounting relevance quality has no significant influence on statement of financial position of listed manufacturing firms in Nigeria.

### 2.0 Conceptual framework

The diagram below illustrates the breakdown of the independent and dependent variables. However, the following concepts were reviewed; financial reporting quality, relevance, reliability, faithful representation, financial disclosure, income statement and statement of financial position.



Source: Researcher design, 2024.

### Financial reporting quality

The primary objective of financial reporting is to provide high-quality financial information concerning economic entities, primarily financial in nature, which is useful for economic decision making (FASB, 1999; IASB, 2008). Providing high quality financial information is important because it will positively influence capital providers and other stakeholders in making investment, credit, and other similar resource allocation decisions, hence improving overall market efficiency (IASB, 2006; IASB, 2008). Financial reporting is not an end in itself, but a means to an end. However, the quality of the process is adjudged by its clarity and transparency in the treatment of each transaction in the financial statement as well as strict adherence to legislation and accounting policies of the entity (Jonas & Blanchet, 2000 as stated in Chukwuani & Ugwoke, 2019). Financial reporting is a standard accounting practice that uses financial statements to disclose a company's financial information and performance over a particular period, usually on an annual or quarterly basis. On the other hand, a financial report is critical for understanding how much money is available, where the money is coming from, and what it may be used for (Agbarakwe & Anowor, 2018).

However, financial reporting quality connotes that financial information be free from such practices such as the manipulation of discretionary accruals by management. It also implies that the process of financial preparation and reporting is free from the intentional, deliberate misstatement or omission of material facts, or accounting data, which is misleading and when considered with all other information available, would cause the reader to change or alter his or her judgment or decision. Furthermore, financial reporting quality is defined as the faithfulness of the information conveyed by the financial reporting process (Martinez Ferrero, 2015). The word faithfulness is characterized by relevance, reliability, transparency and clarity (Jonas & Blanchet, 2000). However, relevant information means that the financial statement should contain enough information useful to different users of the financial statements in assisting their decision making process, and it is also provided in a timely fashion when they are still current. Conversely, reliability is what assures that the information is reasonably free from error or bias and that it truly represents what it is intended to represent. According to Shehu (2013) information in a financial report is considered reliable to the extent that users can depend on to judge the economic conditions or events that it purports to represent. However, high quality of financial report is considered to be a very significant tool to reduce the problem of information asymmetry (Chen, Ok H., Q Li & Wang, 2011). Therefore, researchers relied on three different methods to express the quality of financial report which are; discretionary accruals, accounting conservatism and information asymmetry but this study adopted discretionary accruals and accounting conservatism as its measure of financial reporting quality.

Discretionary accruals, in the context of accounting and financial analysis, refer to the portion of a company's accruals that are not driven by its underlying business operations but are instead the result of management's discretionary choices. Accruals are accounting entries that record revenues or expenses in the financial statements before cash is received or paid. Discretionary accruals are typically associated with earnings management practices and can be used to manipulate a company's reported financial performance hence affects financial reporting quality. Calculating discretionary accruals involves identifying the portion of a company's accruals that are not driven by its underlying business operations but are instead the result of management's discretionary choices. There are several methods and approaches that financial analysts and researchers use to estimate or calculate discretionary accruals, but this study used the following steps/approach to determine discretionary accruals. The model can be expressed as follows:

**Total accruals** = Net income - Cash flow from operations

**Non-discretionary accruals** = (Average accounts payable + Average taxes payable + Average interest payable) / Total assets

**Discretionary accruals** = Total accruals - Non-discretionary accruals

This model typically uses data from a company's financial statements to estimate total accruals, cash flow from operations, and total assets. The difference between total accruals and non-discretionary accruals represents the discretionary accruals.

Secondly, conservatism has been one of the obvious characteristics of financial reporting which have been combined with theory and practice of accounting for long time (Felix & Rebecca, 2015). The substance of conservatism is that managers have considerable discretion in measuring firms' economic events, as allowed within accounting regulation.

Accounting conservatism has long been an important convention in financial reporting (Watts, 2003a). In Ericson, Hanlon & Maydew (2006) and Barney (1991), the more conservative earnings are, is seen as higher quality. CON-MTB is one of the most widely used measures of conservatism in the literature. Consequently, we adopt a market-value-based measure (CON-MTB).

CON-MTB is the market-to-book ratio that assesses how conservatively a firm values its assets relative to their market value by earlier recognition of expenses and losses and to deferred revenue recognition, thereby capturing understatement of net assets relative to market value. Therefore, the higher the market-to-book ratio, the more conservative is the firm's accounting policy (Beaver & Ryan, 2000). According to Heil (2012) income conservatism refers to the faster recognition of economic losses in relation to economic gains into accounting earnings.

**Market value:** The market value represents the current value of the firm as determined by the stock market, typically calculated by multiplying the current stock price by the number of outstanding shares.

**Book value:** The book value refers to the value of the firm's assets as reported on its statement of financial position. It's calculated by subtracting the firm's liabilities from its assets.

**Market-to-Book ratio:** This ratio is obtained by dividing the market value of the firm by its book value. Mathematically, it's expressed as **Market value / Book value**.

So, a higher market-to-book ratio indicates that the market values of the firm's assets are more than what is reported on the statement of financial position, suggesting a conservative accounting approach.

Where:

**Market Value** = Current stock price \* Number of outstanding shares

**Book Value** = Total assets – Total liabilities

### Key components of financial reporting quality

These are various parts of quality in financial report

#### Relevance value

Relevance is usually operationalized in terms of predictive and confirmatory value (Holland & Ramsay, 2013). Generally, information is considered to have predictive value if it's help user predict future trend and outcome, on the other hand, it has confirmatory value when it confirms or supports existing expectations and beliefs about a company's financial performance and position. This component of relevance is backward-looking and focuses on validating or verifying past assessments or evaluations. According to Basim (2023) relevant is the extent to which the required information is related to the decision required to be taken by the external user requesting it, that is, the information is accurately appropriate to the decision taken in order to achieve the desired benefits from it. A relevant financial report should include both financial and non-financial information. Such information should be able to provide insight into business opportunities, risk as well as possible future scenario for the company (Idris, 2012). The conceptual framework stipulates that information provided in financial statement must be relevant to the decision making needs of the users. In summary, information is said to have the quality of relevance when it is capable of influencing the economic decisions of users by helping them to evaluate the past, present or future events or confirming or correcting, their past evaluations. Thus, relevant information must be predictive and confirmatory in value.

#### Reliability value

Reliability in the context of financial reporting quality refers to the trustworthiness and dependability of financial information. It is one of the fundamental qualitative characteristics of financial reporting information, as defined by accounting standards such as the International Financial Reporting Standards (IFRS). Reliability involves ensuring that the information is credible and can be counted on by users for making informed decisions. Reliability is what assures that the information is reasonably free from error or bias and that it truly represents what it is intended to represent. Reliability expresses the authenticity of accounting information for its reasonableness, error-free and biased nature and safely presents the economic events it represents. The financial Accounting Standards Board has identified reliability through Concept Statement No. 2 as an information characteristic that confirms that information is reasonably free of error and bias and fairly presents what it claims to represent (FASB, 2008, P6). Those who use accounting information prefer the information to be of a high degree of honesty, as it is this characteristic that justifies their confidence in that information as a sincere expression of the financial position of the economic unit (Abu & Omar, 2014). Information in a financial report will be reliable to the extent that users can depend on it to judge the economic conditions or events that it purports to represent (Shehu, 2013).

According to the Financial Accounting Standards Board's Conceptual Statement No. 2, the determinants of the reliability of information are defined by three elements: Honesty in expression, verifiability and neutrality.

**Honesty in expression:** Accounting information is a sound, safe and free expression of events. This expression is genuinely representative of substance and not merely of form.

**Verifiability:** The ability to access the same results by more than one person if the same methods are used to measure accounting information. If external parties (external accountants or auditors) reach different results, this is

evidence that the financial statements are not verifiable and therefore unreliable and do not have reliability (Abu & Omar, 2014).

**Impartiality:** The unbiased presentation of information is intended to be neutral and impartial, so that financial statements are not prepared and presented to a particular service or entity.

### **Accounting disclosure**

Disclosure in accounting refers to the practice of providing relevant and meaningful information about a company's financial position, performance, and other important aspects of the business in financial statements and accompanying notes. The purpose of disclosure is to ensure transparency and accountability as well help users of financial statements make informed decisions and reduce uncertainty about future economic events. Disclosure is a fundamental principle in accounting and financial reporting, as it allows stakeholders to better understand a company's financial health, potential risks, and future prospects. Disclosure is an important means used by an organization to convey information about its activities to its stakeholders (Dhaliwal, Khurana, & Pereira, 2011). Mandatory disclosures are the obligatory requirements for an organization to disclose its activities in the financial statements while voluntary disclosures are usually provided as an addition by the organizations to give further explanations of its mandatory information disclosed. Moreover, there are regulatory agencies in all countries of the world that govern mandatory disclosure (Mohamed, 2005; Healy & Palepu, 2001). Regulatory authorities usually compel companies to disclose information that they may wish to hide (Darrough, 1993). A major purpose for regulating disclosure by the regulatory bodies is to ensure that the welfare of investors and other stakeholders are safeguarded (Taplin, Tower, & Hancock 2002). Also, mandatory disclosures were required to ensure that wealth is redistributed between informed and uninformed investors by shortening the information gap among them (Healy, Hutton, & Palepu, 1999). However, Beyer, Daniel, Thomas & Beverly (2010) opine that business environment is characterized by series of interactions as a fall out of the information asymmetry between players such as investors, owners and managers. However, they presented a scenario, which it is expected that the information asymmetry would be reduced with the introduction of compulsory disclosure allowing for more informed dealings with agents that prove to be a better way of committing to more disclosures in the future and lead to a reduced agency cost. Disclosure is to provide data and information to users securely, correctly and appropriately to assist them in making decisions; both internal and external users (Nooruddin & Lubna, 2018 as stated in Bushra, 2023). The importance of accounting disclosure has been enhanced due to its provision of useful and reliable information to users of financial reports about the financial position of the company and the results of the business and helping them in making effective decisions. The level of disclosure of information in financial reports therefore plays a vital role in reducing uncertainty and information asymmetry gap, which helps stakeholders to objectively assess the company's performance (Logo & others, 2015 as cited in Bushra, 2023).

### **Financial statements**

The most important source of externally feasible information on companies is the financial statement. Therefore, it contains accounting information about corporate organizations which is vital to bridging information asymmetries that exist between managers of such organizations and various stakeholders of the corporation (Ibrahim, 2018). Furthermore, it consists of information that must be provided to enable users understand the financial position of the entity and its financial performance (ICAN, 2014). However, a financial statement is a statement of account that contains income statement, statement of financial position, cash flow statement, and so on.

### **Income statement**

An income statement, also known as a profit or loss account is a financial report that summarizes a company's revenues, expenses, and profits or losses over a specific period of time, usually quarterly or annually. It provides stakeholders with insights into the financial performance of a business by detailing its operating activities and net income. However, it is one of the three major components financial statements that all publicly traded companies must release quarterly and annually, along with the statement of financial position formerly called Balance Sheet and the cash flow statement. It summarizes a company's revenues and expenses during a specific period, such as yearly. According to Kimmel, Weygandt, & Kieso (2019) income statement reports the success or failure of the company's operations for a period of time. In addition, Horngren, Sundem, & Stratton (2002) emphasize that income statement shows a company's financial performance over a specified period of time.

However, net income, also called net profit, reflects the amount of revenue that remains after all expenses are deducted from income in a period. It is the last line item and sits at the bottom of the income statement. As a result, it's often referred to as a company's "bottom line" number.

### **Statement of financial position**

Financial Accounting Standards Board (FASB) provides that statement of financial position presents information about an entity's assets, liabilities, and equity (FASB Concepts Statement No. 6, paragraph 25). However, it is a key component of financial report and is used by investors, creditors, and other stakeholders to assess the company's financial strength, liquidity, and overall performance. It is divided in two sections; assets and liability sides. The assets are economic resources owned or controlled by the company, such as cash, inventory, property and investments while liabilities are obligations owed by the company, it include loans, accounts payable and accrued expenses and interest. Shareholders' equity represents the residual interest in the company's assets after deducting liabilities and reflects the shareholders' ownership stake.

### **Theoretical review**

The following theories were x-ray for proper understanding of the subject matter. However, this study is anchored on stakeholder's theory.

### **Stakeholder's theory**

Freeman (1984) propounded stakeholder theory to stresses the interconnected relationships between a business and its customers, suppliers, employees, investors, communities and others who have stake in the organization. The theory argues that firms should create value for all the stakeholders, not just shareholders. The task of executives is to create as much value as possible for stakeholders without resorting to tradeoffs. Great companies endure because they manage to get stakeholder interests aligned in the same direction. As stated in Branco & Rodrigues (2007), Freeman (1998) described stakeholders as groups and individuals whose interests are tied to a particular organization. With the growing need for businesses to take all of their interest groups on board, stakeholder theory emerged. The philosophy of stakeholder's theory proposed that businesses should form their actions to please all parties involved, including the regulatory authorities. Stakeholder theory suggests that all stakeholders have a right to be provided with information on how organizational activities impacted on them, even if they choose not to use it (Deegan, 2000). The relationship should be seen as a two-way relationship, what stakeholders want from the firm may vary, some will actively seek to influence what the organization does and others may be concerned with limiting the effects of the organization's activities on themselves, so it underscore the importance of quality financial reporting and disclosure with the intention of been accountable and transparent to stakeholders by disclosing relevant and reliable information that meets their needs and expectations. Moreover, stakeholders exercise a considerable amount of control over an organization's resources and hence, managers are obligated to provide them with the necessary information that may aid them in decision making, even if it is environmental in nature (Gray & Owen, 1987 as stated in Akume, 2023).

### **Agency theory**

Agency theory originated from the work of Berle & Means (1932). Agency theory is used to understand the relationships between agents and principals. The theory is based on the idea of separation of ownership (Principals) and management (Agent). Principals are the firm's stakeholders and agents are the firm's managers (Jensen & Meckling, 1976). The agent stands-for the principal in a particular business transaction and is expected to represent the best interests of the principal without regard to self-interest. The different interests of principals and agents may become a source of conflict, as some agents may not always act in the principal's best interests. The resulting miscommunication and disagreement may result in various problems and discord within companies. Agency theory concerns itself with resolving the problems that can occur in agency relationships. In agency relationship, the principal and the agent are both utility maximizers, with varying philosophies and this could result in divergent and misaligned interest between them. Owners would want to maximize net present value of firm, while the managers would want to maximize their own utility of which income is a part. It purports that one way of ameliorating the agency conflicts that exists is by engaging in quality financial reporting and disclosures. This could address issues between managers and shareholders (compensation contracts) and conflicts between the firm and its creditors (debt contracts). Consequently, quality financial reporting and disclosure serve as tool for controlling management's excesses and improving performance. As a result, managers would always strive to

disclose quality information voluntarily. According to Healy & Palepu (2001), corporate disclosure is critical for the functioning of an efficient capital market. Firms provide disclosure through regulated financial reports, which include financial statements, footnotes, management discussion and analysis, and other regulatory filings.

### **Empirical review**

Previous investigative studies that related to the topic under investigation were reviewed to support the study are detailed as follows:

Akume (2023) voluntary disclosure and value relevance of accounting information of listed industrial goods firms in Nigeria: The study investigated effect of voluntary disclosure on value relevance of accounting information of listed industrial goods firm. Correlation and descriptive research design was adopted. The population of the study comprised 13 industrial goods firm listed on the Nigerian exchange group. A sample of 11 listed industrial goods firm was drawn for a period of 6 years (2017-2022). Secondary data from annual report of sampled firms from 2017-2022 was extracted and used for analysis. General regression and correlation techniques of data analysis were used in the analysis. The study found that earnings per share had a positive and insignificant relationship with book value per share and voluntary disclosure had negative and insignificant effect on share price of listed industrial goods firm in Nigeria. However, dividend per share has positive and significant effect on share price of listed industrial goods firm in Nigeria. The study recommends that Listed industrial goods firm should improve the relevance of financial and non-financial disclosures in order to increase the efficiency of capital markets and that National accounting standard setters and preparers of accounting information should gear effort towards improving the quality of earnings information which is the most widely used accounting numbers in Nigeria for investment decisions.

Also, Ajiboye & Ibrahim (2022) examines the influence of firm monitoring features on the financial reporting quality of listed non-financial firms in Nigeria. The study adopted the longitudinal research design. Seventy-Two (72) non-financial firms were purposively selected out of population of 112 listed firms on the Nigerian Exchange Group. The panel feasible generalized least square regression was utilized for analysis. The outcomes suggest that board composition has a negative but significant influence on the financial reporting quality of the firms while institutional shareholding has a negative and insignificant influence on the financial reporting quality. The impact of gender diversity was positive and significantly connected to the financial reporting quality because women are meticulous and to checkmate resource abuse activities of management. The study concluded that firms monitoring features play a significant role in explaining the financial reporting quality among Nigeria listed non-financial firms. In line with the findings; it is recommended that firms should engage more independent board members and regulators of the industry should encourage the firms in maintaining the independence of the board.

As well, Efut, Ugochukwu & Emmanuel (2022) firms specific characteristics and quality financial reporting of Universal Banks listed on the stock exchange of selected African countries. The broad objective of this study is to investigate the effect of firms' characteristics on the financial reporting quality of Universal banks listed on the stock exchanges of selected African countries. The ex-post facto research design was employed using the multiple regression technique to analyze the thirteen years of pre and post IFRS reporting periods' data collected from published annual reports of selected Universal banks from Nigeria (2005-2018), South Africa (2003-2016) and Ghana (2000-2013). The findings from the analysis established that the Firms Leverage and Firm Size have significant positive effect on financial reporting quality of selected commercial banks in Nigeria, South Africa and Ghana for pre and post IFRS reporting periods. The study therefore recommends that commercial banks in Nigeria, South Africa, and Ghana should manage their debt (leverage) level and firm size so as to further enhance managers' ability to ensure credible reportage of the annual activities of the banks.

Besides, Ogullah & Maccarthy (2022) earnings management and financial reporting quality of listed insurance companies in Nigeria: The main aim of this study was to investigate earnings management and financial reporting quality of listed insurance companies in Nigeria. The study employed the use of secondary data and ex- post facto research design was adopted. The population of the study was the twenty-five (25) listed insurance companies in the Nigerian Stock Exchange during the period 2013-2019 (7) years. The findings of the study were that there is significant relationship between accrual earnings and faithful representation of insurance companies in Nigeria. There is insignificant relationship between earnings persistence and faithful representation of listed insurance companies in Nigeria and there is significant relationship between accrual earnings and relevance of listed insurance companies in Nigeria. The study recommended among others that insurance companies in Nigeria's

accrual earnings are positive and significantly related. Thus, management should maintain this level of accrual earnings management.

In addition, Hussaini, Riffat, Ghousia, Samera, Ja'afar, & Raziga (2022) corporate board attributes and environmental accounting disclosure of oil and gas firms in Nigeria: The purpose of this study was to ascertain influence of the corporate board physiognomies on environmental accounting disclosures (CEADs). The study used expo-facto research design. Pool regression was used to analyze the primary data. The key findings of this research show that the EAD among Nigeria's publicly traded oil and gas firms is substantially influenced by the board financial expertise, audit committee (AC) independence and AC financial expertise. The study exposed the need for the regulatory agency to come up with empowering laws that can ensure that listed Nigerian oil and gas companies cuddle CEAD regardless of their size and profitability.

Furthermore, Lamido, Okpanachi, & Yahaya (2022) audit firm characteristics and financial reporting quality of listed consumer goods firms in Nigeria: The purpose of this study is to examine the effects of audit firm characteristics on the financial reporting quality of listed consumer goods firms in Nigeria. This was explained using the agency theory as the underpinning theory. Audit firm characteristics were measured by auditor opinion, independence, tenure, and audit quality and audit rotation while financial reporting quality was measured by discretionary accrual (Kothari, 2005). Correlational research design was employed and purposive sampling technique was used to sample 12 out of 21 consumer goods firms listed on the Nigerian Exchange Group as at December 2020. Data collected covered 15 years (2006 to 2020). Multiple regression analysis results revealed that auditor opinion, audit tenure and audit rotation have positive significant effects on financial reporting quality. On the other hand, auditor independence and audit quality show insignificant effects. The study therefore, concludes that, auditors' opinion, tenure and rotation are the determinants of financial reporting quality among consumer goods firms in Nigeria. The results are useful to corporate regulators, policy makers, shareholders, lenders, etc.

Still, Okere, Mabinuori, Adegbite, & Rufai, (2021) corporate governance and quality of financial report in listed Deposit Money Banks in Nigeria: This study examined the relationship between corporate governance and financial reporting quality of listed deposit money banks in Nigeria. The study adopted the panel methodology as well as other econometric analysis. It was discovered that there exists a significant effect of corporate governance on financial reporting quality; although both variables of corporate governance (board size and board meeting frequency) showed a negative and insignificant effect on financial reporting quality of listed deposit money banks. The study recommends that the amount of board members as well as frequency of board meeting should be considered and moderated so as to gain positive benefits from it.

Also, Alaa, Magdy & Mahmoud (2019) the effects of sustainability disclosure on the quality of financial reports in Saudi business environment: The research aimed to measure the effect of accounting disclosure of sustainable development on the quality of financial reports for selected companies listed on the Saudi Stock Exchange. The independent variable is represented by the accounting disclosure about the sustainable development which includes quality and quantity of disclosure. The dependent variable is represented by the quality of financial report (QFR), which has been measured through discretionary accruals, accounting conservatism and asymmetry of information. The study adopted content analysis methodology to examine the financial reports of (153) company listed on the Saudi Stock Exchange during the year 2018. Our research concluded that there is a significant and negative correlation between the accounting disclosure of sustainable development and both discretionary accruals and information asymmetry, this found result can be explained by the fact that increasing disclosure of sustainability leads to a decrease in the value of discretionary accruals and information asymmetry. Moreover, our research concluded that there is a positive and significant correlation between accounting disclosure of sustainable development and accounting conservatism, this found result can be explained by the fact that increasing disclosure of sustainability leads to increase in the value of accounting conservatism.

In addition, Chukwuani & Ugwoke (2019) Adequacy of financial reporting quality of Nigerian quoted firms under IFRS adoption. This study examined the adequacy of financial reports with the objective of determining if there exist significant differences in four proxies of financial reporting quality: earnings, conservatism; accruals and average financial reporting quality before and after the adoption of IFRS in Nigeria. The study employed the parametric statistical pooled variance/ paired sample t-test model structured. The study reveals that there are significant differences in the degree of accounting conservatism of quoted Nigerian firms after the adoption of IFRS in 2012. Further findings reveal that there are no significant differences in the degrees of earnings quality, accrual quality and the aggregate financial reporting quality of quoted Nigerian firms after the adoption of IFRS in 2012. Based on the findings from the study, recommendations include that firms should eliminate the incentives to

carry out unethical practices which can only occur in the short term since in the long term the market penalizes those manipulative companies.

Besides, Chukwuani (2019) adequacy of accounting information disclosures of Nigerian quoted firms under IFRS Adoption: This study therefore examined the adequacy of accounting information disclosures of Nigerian quoted firms under IFRS adoption in a bid to determine if there is a significant difference in the information content of financial reports as reflected by share prices under IFRS adoption. The stock price informativeness was represented by the market price of shares of firms sampled from the Nigerian Stock Exchange. The paired samples t-test statistics was employed to test the hypothesis of no significant difference in stock prices of quoted Nigerian firm's pre and post adoption of IFRS in Nigeria in 2012. Findings from the study show that there is a significant difference stock price informativeness of quoted Nigerian firms after the adoption of IFRS in 2012. Firms are therefore enjoined to improve performance reporting and discard manipulative tendencies. This practice will certainly enhance the stock price informativeness as represented by the market price of shares to ensure appropriate stock pricing.

Moreover, Kenny & Luqman (2019) firms characteristics and financial reporting quality: evidence from non-financial firms in Nigeria. Some 25 non-financial firms listed on the Nigeria stock exchange from 2009 to 2016 comprised the sample. The study used longitudinal balanced panel data from secondary sources only because it is a quantitative with positivism paradigm and the core of the data needed for analysis were adequately and conveniently extracted from the audited financial reports of the selected firms within the study period. Multiple regressions are adopted to examine the model of the study. Longitudinal panel data is used to account for individual heterogeneity of the sample companies with the utilization of two steps regression in determining the quality of financial reports of the Nigerian listed manufacturing firms adopting modified Dechow and Dichev's (2002) model. The firm characteristics are firm size, firm tangibility, profitability and growth. The result revealed that firm size has positive significant effect on financial reporting quality. Tangibility has negative significant effect on audit financial reporting quality. Firm's profitability has also been argued to have a positive influence on the quality of financial reporting while firm growth has negative significant effect on financial reporting quality. Hence large firms tend to produce high quality financial reports; this should be encouraged among firms. The study also revealed that highly profitable has high financial reporting. Thus, profitability should be a good indicator of poor or good financial reports. On the other hand, tangibility and firm growth has negative effect on financial reporting quality; this follows the predictions of the accruals model which predicts that earning manipulation can be influenced by Plant, Property and Equipment (PPE). Hence, tangibility of asset should be discouraged among non-financial firms. It is therefore recommended that all the firm characteristics used in this study except tangibility and firm growth should be encouraged by the regulating agencies of government (Securities and Exchange Commission and Corporate Affairs Commission) and all other stakeholders in the Nigerian non-financial firms because of the role firm characteristics play in constraining managers to act opportunistically in preparing financial statements.

Still, Adegboye, Maryam, & Bilyaminu (2019) effect of firm attributes on financial reporting quality: Evidence from listed consumer goods companies in Nigeria: Firm size, board composition, profitability and firm growth were selected as proxies for firm's attributes. Financial reporting quality was measured by the modified model of Jones (1991). Panel multiple regressions were employed to test the formulated hypotheses and provide answers to the research questions. The result reveals profitability, board composition and firm growth to be statistically significant with financial reporting quality while firm size is statistically insignificant. Three variables, board composition, profitability and firm growth increases the quality financial information of the listed consumer goods companies in Nigeria, meanwhile, firm size has proven to reduce the quality of their financial reports.

In addition, Oladele, Aribaba, Lateef, & Ajayi (2018) an empirical study of human resource accounting disclosure on the financial performance of selected listed firms in Nigeria. The aim of this study is to examine the impact of human resource accounting disclosure on financial performance. The data collected was analyzed using descriptive statistics, correlation and regression. The study revealed that there was a positive co-efficient value of 0.565 between the independent and dependent variables. Based on these findings, the study therefore recommends that the listed firms should imbibe the culture of capitalizing their reports and disclose all the expenditure on human resource so as to improve the productivity of the firms. Also, the regulatory body should set aside a minimum standard of reporting human resource accounting in the financial statement of the listed firms in other to enhance stakeholders' valuation in the statement of financial position and note to the accounts.

### Gap in literature

In summary, the current empirical review provides scant results regarding the effect of financial reporting quality on financial disclosure considering that no exact topic in that form has been examined in manufacturing sector especially in Nigeria known to the researcher. Furthermore, previous related studies have shown inconclusive results and enough evidence has not been presented to make the argument for or against its influence on financial disclosure. This is the gap filled by this study.

### 3.0 Research design

This study adopts ex-post facto research design as the research is trying to ascertain the cause and effect that exist between accounting attributes and financial disclosure of listed manufacturing firms in Nigeria stock exchange group. Ex-post facto research design examines past occurrences in order to understand a current state as this study uses past data already in existence to establish the current position.

#### Selection of data

This study made use of secondary data.

#### Collection of data

Secondary source of data was employed in this study. The study collected its secondary data from the audited annual report and accounts of the selected manufacturing firms to assess the effect of accounting attributes on financial disclosure in Nigeria from 2013 to 2020.

#### Population of the study

The population of this study consists of all fifty nine (59) manufacturing companies listed in Nigerian Exchange Group (NGX) in 2022

#### Sample size determination

In this study, sample size of 12 listed firms was selected from the population based on judgmental sampling. The sample size of twelve (12) firms is in line with the works of Fuller (1976) which stated that it is common in research studies to use at least 10% of the study population as sample size, because it is proven to be more than adequate in research project. Odul (2014) supported this when he posits that where a population is known, at least 10% of it constitutes a researchable sample. For this reason, the study made use 20% of the population as sample size.

#### Sampling techniques

The firms selected for this study were chosen based on the criteria that they were listed on the Nigeria stock exchange before the period under study, have audited financial statements for the periods and the selected dependent and independent variables were deduced specifically from their financial statements.

#### Operational measures of variables

Two main categories of variables were used in this study, the dependent variable financial disclosure which was proxied into income statement (Net profit/loss) and statement of financial position (Total assets) while the independent variable accounting attributes was proxied into relevance (Discretionary accruals) and reliability (Accounting conservatism)

#### Data analysis techniques

The study made use of descriptive and Panel Estimated Generalized Least Squares method of Eview10 to analyze the data collected.

### 3.8 Model specification

The model specification used in this study followed the typical panel multiple regression format, functionally specified as follow:

$$Y_{it} = f(X_{1it}, X_{2it}, X_{3it}, \dots, X_{nit}) \dots \dots \dots (1)$$

#### Where;

$Y_{it}$  = The dependent variable of company i in time t.

$X_{it}$  = The series of independent variables of company i in time t.

NP = Net profit

TA = Total assets

RELE = Relevance (Discretionary accruals)

RELI = Reliability (Accounting conservatism)

U = error term

#### 4.0 Data presentation

The data generated for this study from the financial statements of the selected manufacturing firms were presented in Appendix 1.

#### Data analysis

The data presented in Appendix 1 were descriptively analyzed and presented below: the result of descriptive statistics shown in Appendix two (2) indicates that none of these variables were normally distributed, hence transformed by logging with the results shown below.

**Table 4.1: Descriptive analysis of LNNP, LNTA, LNCONS and LNDISC ACCs**

	LNTOTAL ASSETS	LNNET PROFIT/LOSS	LNDISCRETIONARY ACCRUALS	LNCONSERVATISM
Mean	19.24784	15.86563	15.65612	7.333804
Median	19.22666	16.03956	15.61256	7.442731
Maximum	21.26674	19.99233	18.73905	10.22131
Minimum	17.63840	11.20136	10.93380	5.042022
Std. Dev.	0.999373	2.179271	1.978391	1.329406
Skewness	0.316300	-0.129412	-0.651342	0.456643
Kurtosis	2.629305	3.035135	3.328922	2.843541
Jarque-Bera	0.425598	0.054011	1.429097	0.679703
Probability	0.808319	0.973356	0.489413	0.711876
Sum	365.7089	301.4469	297.4663	139.3423
Sum Sq. Dev.	17.97743	85.48600	70.45256	31.81177
Observations	19	19	19	19

*Source: Output from E-view 10, 2024*

Table 4:1 reveals that the mean values of **NP** and **TA** are 15.86563 and 19.24784 respectively for the period covered by the study, indicating that the average value of **NP** of the series is 15.8%, while that of **TA** is 19.2%. The higher percentage of the mean value of **TA** implies that the firms have preference for **TA**.

The standard deviation indicates the dispersion from or spread of the series from their values. **NP** has the highest dispersion of 2.179271, followed by **DISC ACCs** and **CONS** with 1.978391. However, **TA** has lower dispersion from their means of 0.999373

Skewness which depicts the asymmetry of the distribution around the mean reveals that **NP** and **DISC ACCs** have long left tails (Negative skewness) while **TA** and **CONS** have two tails (Zero skewness), that is normal distribution.

The peakness or flatness of the distribution of the series is indicated by Kurtosis. The statistics reveal that **TA**, **NP**, **DISC ACCs** and **CONS** are all normally distributed as their values are within the acceptable value of three (3) Mesokurtic.

Furthermore, the statistical significance for the Jarque-Bera statistics (JB) of all the variables as reported in Table 4:1 are above 0.05, hence we accept the alternate hypothesis that the series are normally distributed. Therefore linear model was considered suitable for predicting the parameters.

#### Hausman Test:

The Hausman test was conducted to determine which model will be most appropriate whether fixed or random effect, but from the statistical result below the Prob. value is 0.1068 indicating higher value than 0.05. Hence given the decision rule we concluded that the Random effect is more appropriate for the model and applied accordingly.

#### Decision rule:

**H<sub>0</sub>**: Random effect is more appropriate

**H<sub>1</sub>**: Fixed effect is more appropriate

Correlated Random Effects - Hausman Test

Equation: Untitled

Test cross-section random effects

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	4.473068	2	0.1068

Cross-section random effects test comparisons:

Variable	Fixed	Random	Var(Diff.)	Prob.
LNDISCRETIONARY ACCRUALS	-0.055724	-0.009757	0.000473	0.0345
LNCONSERVATISM	-0.430269	-0.388584	0.001950	0.3451

Cross-section random effects test equation:

Dependent Variable: LNTOTAL ASSETS

Method: Panel Least Squares

Date: 07/24/24 Time: 00:27

Sample: 2013 2020

Periods included: 8

Cross-sections included: 9

Total panel (unbalanced) observations: 19

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	23.27577	1.388327	16.76534	0.0000
LNDISCRETIONARY ACCRUALS	-0.055724	0.063332	-0.879870	0.4046
LNCONSERVATISM	-0.430269	0.104871	-4.102853	0.0034

Effects Specification

Cross-section fixed (dummy variables)

R-squared	0.977290	Mean dependent var	19.24784
Adjusted R-squared	0.948902	S.D. dependent var	0.999373
S.E. of regression	0.225908	Akaike info criterion	0.155516
Sum squared resid	0.408274	Schwarz criterion	0.702296
Log likelihood	9.522598	Hannan-Quinn criter.	0.248053
F-statistic	34.42621	Durbin-Watson stat	0.594503
Prob(F-statistic)	0.000017		

*Source: Extract from Hausman estimation output*

**Panel data EGLS test****4.2.1 The table below provides the summary of the panel EGLS test results of the effect of accounting attributes components on statement of financial position (total assets)**

Dependent Variable: LNTOTAL ASSETS  
 Method: Panel EGLS (Cross-section random effects)  
 Date: 07/24/24 Time: 01:00  
 Sample: 2013 2020  
 Periods included: 8  
 Cross-sections included: 9  
 Total panel (unbalanced) observations: 19  
 Swamy and Arora estimator of component variances

Variable	Coefficient	Std. Error	t-Statistic	Prob.
LNDISCRETIONARY ACCRUALS	-0.009757	0.059485	-0.164016	0.8718
LNCONSERVATISM	-0.388584	0.095123	-4.085084	0.0009
C	22.28973	1.330089	16.75807	0.0000
Effects Specification				
			S.D.	Rho
Cross-section random			0.907349	0.9416
Idiosyncratic random			0.225908	0.0584
Weighted Statistics				
R-squared	0.479204	Mean dependent var		3.147283
Adjusted R-squared	0.414104	S.D. dependent var		0.792422
S.E. of regression	0.243352	Sum squared resid		0.947521
F-statistic	7.361100	Durbin-Watson stat		0.313008
Prob(F-statistic)	0.005412			
Unweighted Statistics				
R-squared	0.097397	Mean dependent var		19.24784
Sum squared resid	16.22648	Durbin-Watson stat		0.018278

Source: Extract from panel EGLS estimation output, 2024

**4.2.2 The table below provides the summary of the panel EGLS test results of the effect of accounting attributes components on income statement (Net profit)**

Dependent Variable: LNNETP ROFIT/LOSS  
 Method: Panel EGLS (Cross-section random effects)  
 Date: 07/24/24 Time: 01:39  
 Sample: 2013 2020  
 Periods included: 8  
 Cross-sections included: 9  
 Total panel (unbalanced) observations: 19  
 Swamy and Arora estimator of component variances

Variable	Coefficient	Std. Error	t-Statistic	Prob.
LNDISCRETIONARY ACCRUALS	0.544476	0.132877	4.097609	0.0008
LNCONSERVATISM	0.004591	0.199588	0.023004	0.9819
C	7.298059	2.743812	2.659825	0.0171
Effects Specification				
			S.D.	Rho
Cross-section random			1.068336	0.7628
Idiosyncratic random			0.595742	0.2372
Weighted Statistics				

R-squared	0.383466	Mean dependent var	5.502596
Adjusted R-squared	0.306399	S.D. dependent var	1.532136
S.E. of regression	0.777770	Sum squared resid	9.678809
F-statistic	4.975756	Durbin-Watson stat	1.334532
Prob(F-statistic)	0.020877		

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Unweighted Statistics

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R-squared	0.548690	Mean dependent var	15.86563
Sum squared resid	38.58064	Durbin-Watson stat	0.334797

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Source: Extract from panel EGLS estimation output, 2024

### 4.3 Test of hypotheses

In testing the four hypotheses formulated in section one of this study; results in the Panel EGLS test above were used.

#### 4.3.1 Test for the effect of accounting reliability quality on income statement of listed manufacturing firms in Nigeria.

The first null hypothesis is restated as follows:

*H<sub>01</sub>: Accounting reliability quality has no significant effect on income statement of listed manufacturing firms in Nigeria.*

Results in Panel data EGLS test above indicates that the Prob. Value for reliability quality (conservatism) of 0.9819 is insignificant at 5% ( $P = 0.9819 > 0.05$ ). Accordingly, **H<sub>01</sub>** is not rejected, and the conclusion is that accounting reliability quality has insignificant effect on income statement of listed manufacturing firms in Nigeria

#### 4.3.2 Test for the effect of accounting relevance quality on income statement of listed manufacturing firms in Nigeria.

The second null hypothesis is restated as follows:

*H<sub>02</sub>: Accounting relevance quality has no significant effect on income statement of listed manufacturing firms in Nigeria.*

Results in Panel data EGLS test above indicates that the Prob. Value for relevance quality (discretionary accruals) of 0.0008 is significant at 5% level ( $P = 0.0008 < 0.05$ ). Accordingly, **H<sub>02</sub>** is rejected, and the conclusion is that accounting relevance quality has significant effect on income statement of listed manufacturing firms in Nigeria

#### 4.3.3 Test for the effect of accounting reliability quality on statement of financial position of listed manufacturing firms in Nigeria.

The third null hypothesis is restated as follows:

*H<sub>03</sub>: Accounting reliability quality has no significant influence on statement of financial position of listed manufacturing firms in Nigeria.*

Results in Panel data EGLS test above indicates that the Prob. value for reliability quality (conservatism) of 0.0009 is significant at 5% ( $P = 0.0009 < 0.05$ ). Accordingly, **H<sub>03</sub>** is rejected, and the conclusion is that accounting reliability quality has significant effect on statement of financial position of listed manufacturing firms in Nigeria.

#### 4.3.4 Test for the effect of accounting relevance quality on statement of financial position of listed manufacturing firms in Nigeria.

The fourth null hypothesis is restated as follows:

*H<sub>04</sub>: Accounting relevance quality has no significant effect on statement of financial position of listed manufacturing firms in Nigeria.*

Results in Panel data EGLS test above indicates that the Prob. value for relevance quality (discretionary accruals) of 0.8718 is insignificant at 5% level ( $P = 0.8718 > 0.05$ ). Accordingly, **H<sub>04</sub>** is not rejected, and the conclusion is that accounting relevance quality has insignificant effect on statement of financial position of listed manufacturing firms in Nigeria

#### 4.4 Discussion of findings

Results on the assessment of the effect of accounting attributes (made up of Reliability and Relevance quality) on financial disclosure (made up of income statement and statement of financial position) were reported under **4.2.1** and **4.2.2** of this work and the findings are discussed in the following subsections.

##### 4.4.1 Effect of accounting reliability quality on financial disclosure

The result on the influence of accounting reliability quality on income statement and statement of financial position of listed manufacturing firms in Nigeria show that the accounting reliability quality has weak positive and insignificant effect on income statement(Net profit), this finding is in line with the finding of Akume (2023) who studied voluntary disclosure and value relevance of accounting information and indicated that earnings per share had a positive and insignificant relationship with book value per share. But in contrary with finding of Efut, Ugochukwu & Emmanuel (2022) who studied firms' specific characteristics and quality financial reporting of Universal Banks listed on the stock exchange of selected African countries and indicated that firms leverage and size have significant positive effect on financial reporting quality of selected commercial banks in Nigeria, South Africa and Ghana for pre and post IFRS reporting periods.

Whereas accounting reliability quality has a negative (-0.388584) and significant (0.0009) effect on statement of financial position (Total assets), which aligns with the finding of Ajiboye & Ibrahim (2022) whose study evaluated the influence of firm monitoring features on the financial reporting quality of listed non-financial firms in Nigeria and the result revealed that board composition has a negative but significant influence on the financial reporting quality.

##### 4.4.2 Effect of accounting relevance quality on financial disclosure

The result on the influence of accounting relevance quality on income statement and statement of financial position of listed manufacturing firms in Nigeria show that the accounting relevance quality has positive (0.544476) and significant (0.0008) effect on income statement(Net profit), this finding is consistent with the finding of Ogullah & Maccarthy (2022) who studied earnings management and financial reporting quality of listed insurance companies in Nigeria and indicated that there is a positive significant relationship between accrual earnings and relevance quality of listed insurance companies in Nigeria. In the same vein, Lamido, Okpanachi & Yahaya (2022) evaluated the effect of audit firm characteristics on financial reporting quality of listed consumer goods firms in Nigeria and the result revealed that auditor opinion, audit tenure and audit rotation have positive significant effects on financial reporting quality. But in contrary with finding of Okere, Mabinuori, Adegbite & Rufai, (2021) on corporate governance and quality of financial report of listed Deposit Money Banks in Nigeria and point out that corporate governance (board size and board meeting frequency) showed a negative and insignificant effect on financial reporting quality of listed deposit money banks.

Whereas accounting relevance quality has a negative (-0.009757) and insignificant (0.8718) effect on statement of financial position, which agrees with the finding of Adegboye, Maryam, & Bilyaminu (2019) effect of firm attributes on financial reporting quality: Evidence from listed consumer goods companies in Nigeria which the result indicated that firm size is statistically insignificant with the financial reporting quality. But contradicts the finding of Alaa, Magdy & Mahmoud (2019) who evaluated the effects of sustainability disclosure on the quality of financial reports in Saudi business environment and discovered that there is a significant and negative correlation between the accounting disclosure of sustainable development and both discretionary accruals and information asymmetry. Likewise, Kenny & Luqman (2019) evaluated effect of firm's characteristics on financial reporting quality: evidence from non-financial firms in Nigeria and revealed that firm size has positive significant effect on financial reporting quality.

#### 5.0 Summary of findings

Findings of this study are summarized as follows:

1. The study revealed that accounting reliability quality has insignificant effect on income statement disclosure of listed manufacturing firms in Nigeria.
2. It also revealed that accounting relevance quality has significant effect on income statement disclosure of listed manufacturing firms in Nigeria.
3. It also discovered that accounting reliability quality has significant effect on statement of financial position disclosure of listed manufacturing firms in Nigeria.
4. Finally, it equally revealed that accounting relevance quality has insignificant effect on statement of financial position disclosure of listed manufacturing firms in Nigeria.

## Conclusion from the study

The study evaluated the impact of accounting attributes on financial disclosure of selected manufacturing firms in Nigeria. It was discovered that accounting reliability quality has weak positive and insignificant effect on income statement disclosure signifying that honesty, error free and other characteristics of reliability qualities are not the major determinant of income statement disclosure rather has major influence in statement of financial position disclosure. Moreover, the same cannot be said on the effect of predictive and confirmatory values of accounting relevance quality on income statement disclosure as it has positive and significant influence, demonstrating the ability and capacity of predictive and confirmatory quality in determining income statement disclosure against its negative and insignificant effect on the statement of financial position. In a nut shell, it means that various accounting attributes used in this study, such as relevance, and reliability quality have different segment of financial reports where their applications are more imperative than the other in financial statement disclosure practices among these selected firms. This goes to suggest that firm's with adherence to standards that enhance accounting attributes, tends to provide more transparent, relevant, and reliable financial information, which can positively affect investor confidence and decision-making ability. This, in turn, can contribute to the overall financial transparency and augmentation of the manufacturing sector in Nigeria.

## Recommendations

Based on the findings, the study recommended as follows;

1. Manufacturing firms should adopt a culture of honesty, verifiability and impartiality in disclosing information to boost stakeholder's confidence and reliability quality in the financial statement.
2. They should ensure that financial information with predictive and confirmatory value are disclosed in the financial statement to help in providing insight into business opportunities, risk as well as possible future scenario of the entity.
3. That all the accounting attributes used in this study be sustained and improved on by the accounting regulating agency in Nigeria, including all other stakeholders in the manufacturing sector because of its role in constraining managers from acting opportunistically in the preparation of financial reports and disclosure.
4. They should also make an effort to communicate all accounting policies used in preparing financial statement to enhance understanding and disclosure.

## Contribution to knowledge

The research is conceptually rich in knowledge. Also the findings of this study will facilitate better understanding in terms of the relationship between accounting attributes and financial disclosure of manufacturing firms in Nigeria.

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## Appendix 2: Descriptive Statistics of the Raw Data for the study

	TOTAL ASSETS	NET PROFIT/LOSS	DISCRETIONARY ACCRUALS	CONSERVATISM
Mean	3.04E+08	34139452	-23184908	5886.398
Median	1.62E+08	7660260.	-7553720.	2409.718
Maximum	2.12E+09	4.81E+08	1.37E+08	40719.13
Minimum	27528040	-13223626	-1.17E+09	138.6219
Std. Dev.	3.97E+08	83594784	1.22E+08	8243.388
Skewness	2.827617	3.516956	-8.660649	1.926338
Kurtosis	11.08721	15.33401	82.09535	6.139976
Jarque-Bera	389.5387	806.4145	26224.41	98.81025
Probability	0.000000	0.000000	0.000000	0.000000
Sum	2.92E+10	3.28E+09	-2.23E+09	565094.2
Sum Sq. Dev.	1.50E+19	6.64E+17	1.43E+18	6.46E+09
Observations	96	96	96	96