A Comparative Analysis of the Effect of IFRS Adoption on Value Relevance of Accounting Information in an Emerging Economy: A Focus on Listed Deposit Money Banks in Nigeria

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Abstract
This study investigates the effect of IFRS adoption on value relevance of accounting information of listed Deposit Money Banks in Nigeria. The study adopts the ex-post facto research design. Data used for the study was sourced from the annual published accounts of selected Deposit Money Banks under investigation from 2008– 2015. Descriptive statistics and regression analysis were used in analyzing the data. Findings from the analysis revealed that there is no significant impact of post IFRS earnings per share and book value per share on the share price of deposit money banks in Nigeria while post IFRS volume of shares issued significantly affect the share price of Deposit Money Banks in Nigeria. It was also found that value relevance of financial information of Pre and post IFRS adoption in Nigerian DMBs differs significantly. The study recommended that management, external auditors and regulators should work together to ensure total compliance by Nigerian DMBs in order to achieve IFRS objectives, since enforcement is a necessary tool for ensuring compliance.

Key words: *IFRS Adoption; Value Relevance; Accounting Information; Emerging Economy; Globalization*

Introduction

The growing complexity of business transactions and the globalization of capital markets have made it mandatory for regulators, multinational companies, auditing firms, investors and all stakeholders to see the need for common standards in all areas of financial reporting, hence the origin for the pursuance of globally accepted Accounting standards. Thus, laying the foundation for the formulation of uniform set of globally accepted accounting standards which later metamorphosed into the International Financial Reporting Standards (IFRS).

In the pursuit of this, many countries converge to endorse the international accounting standards (IAS) and later, the Financial Reporting Standards (FRS) which finally culminated into the International Financial Reporting Standards (IFRS).

With the expectation that the adoption of IFRS would reduce earnings variability and improve accounting quality (Tanko, 2012), reduce information asymmetry which will subsequently smoothen communications among managers, shareholders, creditors and other interested parties (Bushman and Smith, 2001), and lower agency costs (Healy & Palepu, 2001), was officially adopted In Nigeria, in 2012, but Nigeria's leading private sector companies, particularly the Banks adopted IFRS in 2010. Similarly, Lower information asymmetry also leads to lower costs of equity and debt financing (El-Gazzar, Finn & Jacob, 1999; Botosan & Plumlee, 2002).

Thus, the quality of accounting information in respect to share prices and other performance indicators are essential for any meaningful investment in the banking sector.

Investors, who are different from the managers of such investments, can only rely on the information supplied by the management through the financial statements, in assessing the risk and value of the firm before deciding either to invest, disinvest or not.

In this regards therefore, the ability of the financial statement to effectively and satisfactorily guide investors on their investment decisions depends largely on the value relevance of the information presented in the financial statements (Umoren & Enang, 2015).

Accordingly, the value relevance of accounting information has been a subject of academic debate in the past decades and currently, even so. It is of great interest and importance to standard setters, investors, researchers and stakeholders since empirically, it proves the reflection of accounting information in share prices of the firm. According to Vishnani & Shah, (2008) "Value relevance" implies the ability of the financial information contained in the financial statements to explain the stock market measures. Similarly, a value relevant variable is that data or amount in the financial statement that guides investors in their shares pricing. In the same vein, investment decisions are therefore, centered on the association between stock returns or share price and such accounting related information as; earnings, cash flows, book value of equity, firm's size, etc.

Accordingly, financial reporting under IFRS, provides accounting harmonization which is expected to communicate higher information quality and the general method used by accounting literature to assess the quality of accounting numbers is to test its relevance to market valuation, which means that, there is a significant degree of association between the information disclosed through financial statements and the stock market valuation.

Significantly, the results of Most empirical studies based on the Ohlson (1995) model and its subsequent refinements, in general, show positive effect of IFRS adoption (Bartov, Goldberg & Kim 2005; Barth, Landsman & Lang 2008; Alali & Foote, 2012). However other studies show opposite evidence (Barth *et al.,* 2008; Khanagha, 2011). This present study takes bearing from these studies and examines the effect of mandatory adoption of IFRS on the value relevance of accounting information of listed deposit money banks in an emerging market like Nigeria.

Statement of the Problem

There exist volumes of literature on studies of value relevance of GAAP financial information, but with inconsistent results until the peak of the capital market crash and the Enron's case. The capital market crash, the Enron's case and the economic meltdown brought to light, the shocking revelation of firms previously proved to be profit making became destressed and insolvent and as such, this pose the big question of, whether reporting under GAAP is value relevant? And emerging from the Global economic meltdown, the accounting profession rose to the challenge and need of providing accounting value relevant information by introducing a single set of accounting standards for global use called IFRS.

However, empirical studies on value relevance and IFRS adoption from foreign countries have shown mixed results which indicate that there is no consensus empirically as to whether accounting information from IFRS adoption are value relevant. Moreover, it has been realised that empirical works in Nigeria on IFRS adoption and value relevance are sparse. This largely owes to the fact that it's adoption in Nigeria was in 2012. Furthermore, with particular concern to the banking industry, IFRS has influenced definition, recognition and measurement of intangible assets. This change has direct effect on the earning and book value of the firm since intangibles assets that are capitalised under GAAP are now being expenses in IFRS. Against this backdrop, this study seeks to empirically investigate the effect of mandatory adoption of IFRS on the value relevance of accounting information of listed deposit money banks in an emerging market like Nigeria

Objectives of the Study

The objective of this paper is to examine the effect of IFRS on value relevance of the financial report of listed Deposit Money Banks in Nigeria and specifically this study intends to:

1. Empirically determine if there is significant impact of earnings per share on the share price of Deposit Money Banks in Nigeria after IFRS adoption.
2. Investigate the effect of the volume of shares issued due to share prices of Deposit Money Banks in Nigeria after IFRS adoption.
3. To ascertain the effect of the book value per share due to share prices of Deposit Money Banks in Nigeria after IFRS adoption.
4. To investigate whether the value relevance of financial information of Pre and post IFRS adoption in Nigerian DMBs differs significantly.

LITERATURE REVIEW

Conceptual Framework

Three main concepts are conceptualized under this section: International Financial Reporting Standards and Value Relevance.

Concept of IFRS

IFRS is an acronym for International Financial Reporting Standards issued by the International Accounting Standards Board (IASB). IFRS are considered principle-based set of standards, since they establish broad rules as well as dictate specific treatments. Similarly, the IASB Framework states that the objective of financial statements is to provide information about the financial position, performance and changes in financial position of an entity that is useful to a wide range of users in making economic decisions. However, the objective and importance of introducing IFRS, according to Fowokan (2011), is to work actively with national setters to bring about the convergence of national accounting standards, designed for adoption by profit oriented entities, requiring that financial statements (FS) give a true and fair view of the financial health of entities, develop a single set of high quality understandable and enforceable global accounting standards that requires transparent and comparable information in financial statements thereby enabling participants in various capital markets across the globe have same understanding of the financial statements so prepared.

Accordingly, Alistair (2010) defined IFRS as series of accounting pronouncements published by the International Accounting Standard Board (IASB) to help prepare financial statements throughout the world, to provide and present high quality, transparent and comparable financial information. However, Fasoranti, Adelakun & Joshua (2014), sees them (IFRS) as a combination of the International Accounting Standards (IASs), International Financial Reporting Standards (IFRSs), Standing Interpretations Committee (SICs) pronouncements; and International Financial Reporting Interpretations Committee (IFRICs) guidelines. The IFRS are therefore robust principle based set of global accounting standards with detailed disclosure requirements that will be useful to a wide range of users for making economic decisions.

Concept of Value Relevance

The construct "value relevance" has variously been defined by researchers and scholars due to their perception and approach. Veith & Werner (2010) defines Value relevance as a proxy for the information content of financial accounting data and is usually measured as the association between some accounting numbers and market measure(s). However, defining value relevance as a proxy for information content is not clear as other

scholars see information content as different construct with its own meaning.

Thingarnarda & Damkierb (2008), assert that value relevance is the difference between return on the long run position and return on the short run position, that is, the market adjusted return that can be earned on long run position and the return on market adjusted position that can be lost on short run position. In his opinion, Beuselinck & Manigart (2005), defined value relevance from accounting quality perspective by noting that value relevance approach is an instrument of estimating the quality of accounting information which is of prime importance to the well-functioning of an economy. On the other hand, Beisland (2009) and Francis & Schipper, (1999) concisely defines value relevance as the ability of the financial information to capture and summarize the firm's value and the statistical association between financial statement information and stock market values.

Value relevance approach can therefore, be used to assess usefulness of accounting information for stockholders. Sing & Meng (2005) further observe that value relevance jointly involves both relevance for investor's decision-making and reliability of measurement. However, to assess value relevance, it is essential to determine how accounting information records are reflected in stock prices. In confirmation, Barth, Beaver, & Landsman (2001), Keener (2012) and Khanagha (2011) define value relevance as the association between accounting amounts and security market values. Barth et al (2001) further state that value relevance suggests testing whether accounting amounts explain the cross sectional variation in share prices. For most of the part, the valuation models that form the basis for tests in the valuation literature are developed in terms of the level of the firm's value.

Considering the aim of value relevance, Dahmash & Qabajeh (2012) opined that the objective of value relevance research is to relate annual financial statement figures to a measure of the firm's value and to assess the relationship of such information to the determination of the firm's value. This statement gives an insight to the fact that the relationship between accounting figures and stock prices would determine if analyst and investor would depend on accounting figures to reliable take investment decision or a fair forecast of the capital market.

In cognizance of the above definitions, value relevance suggest that, an accounting item is deemed value relevant if it explains variation in share prices, that is, value relevance revolves around the security market value which determines the value of a firm. Similarly, once an accounting number has a significant positive relationship with share prices, then, it is considered value relevant. In order words, they can be relied on to make informed decision without fear of being misled.

In the same vein, Value-relevance of accounting information is one of the basic determinants of accounting quality (Francis, LaFond, Olsson & Schipper, 2004), and as such, it must be both relevant and reliable. (Barth et al. 2001).

Accounting Information

Accounting information refers to information about operations, performance and condition of a business entity expressed primarily in monetary terms (Himma, 2013). According to Ijeoma, (2015), accounting information refers to written information about statement of financial position, income statement or cash flow statements etc. contained in a complete or partial financial report which are values that might be relevant in the Nigerian Stock Exchange or not. Coincidentally, one of the most important accounting information sources is financial statements which are presented mainly in statement of financial position, income statement and cash flow statement and both statement of financial position and income statement are on accrual basis, while cash flow statement is on cash basis.

Financial accounting information is a product of corporate accounting and external reporting systems that measure and publicly disclose audited, quantitative data on the

financial position and performance of publicly held firms. These financial statements, according to the Generally Accepted Accounting Principles (GAAP) have four main qualitative characteristics that it must meet to succeed in its purpose which are: relevance, reliability, understandability, and comparability.

Similarly, reliability according to the Financial Accounting Standard Board's (FASB's) Statement of Financial Accounting Concept number 2, means, the quality of information which assures that the information is reasonably free from error and bias and faithfully represents what it purports to represent, while relevance means the capacity of the information to make a difference in a decision by helping users to form predictions about the outcomes of the past, present, and future events or to confirm or correct prior expectations. Accordingly, The International Accounting Standard Board (IASB) Framework (2001) shows that accounting information is only relevant when users are able to evaluate past, present or future events in taking economic decisions and these users could be owners, managers, investors or employees.

Accordingly, financial decisions are dependent upon accounting information produced by the accounting system which also forms the basis of the information available to finance managers for making decisions about their company's future. This also include investors' whose decision to buy stock or not solely depends on such accounting information (Shehzad & Ismail, 2014).

Financial information is essential in making sound investment decisions and it reduces the informational asymmetry problem between the firm's managers and investors (Hossain, Tan, & Adams. 1994).

Though some investors use non-financial information to make investment decisions, some conventional investors give more weight to financial information which is a guide and relevant for their investment decisions.

Although it is expected that investors may make rational decisions owing to the use of constant accounting information, it (accounting information) use itself is dependent on several factors of which some are related to the users themselves, and the others, related to the quality and quantity of the accounting information so presented.

Accordingly, accounting information is hypothesized to be of value if it conveys information that modifies investor expectations of the firms' future cash flows, and ultimately causes changes in stock prices (Scott, 2003).

Theoretical Framework

This study is anchored on the following two theories which are briefly examined below.

Agency Theory

The agency paradigm was developed in economics literature during 1960s and 1970s in order to determine the optimal amount of risk- sharing among different individuals (Ross, 1973; Jensen & Meckling, 1976). Agency theory is a theory explaining the relationship between principals (shareholders) and agents (managers). In this relationship, the principal delegates or hires an agent to perform work in the best interest of the principal. The delegation of decision-making authority can lead to a loss of efficiency and consequently increased costs (Jensen & Meckling, 1976).

The agency theory has been one of the most important theoretical paradigms in accounting during the last 20 years (Lambert, 2001). It conceives disclosure as a mechanism which decreases the costs resulting from conflicts between managers and shareholders (compensation contracts) and from conflicts between the firm and its creditors (debt

contracts). Therefore disclosure works as a mechanism to control manager's performance. As a result, managers are stimulated to disclose 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, including the financial statements, footnotes, management discussion and analysis, and other regulatory filings.

Financial reporting is a key practice of corporate disclosure. However, there are multiple factors surrounding the quality of financial reporting. Beyer, Cohen, Lys & Walther (2010) argue that the function of corporate information environment is the dynamic interaction as a consequence of information asymmetries and agency problems between investors, firms and managers. Therefore, in a capital markets setting, the corporate information environment is shaped by the decisions made by managers' reporting and disclosure, mandated reporting and disclosures regulations, and analysts' expectations.

Beyer, ET al (2010) illustrates two very important rationales. Firstly, that, the agency costs will be reduced when mandated disclosure allows for more efficient contracting with agents as it can serve as a cost-effective way to commit to frequent and detailed future disclosures when the literature supports that more information can reduce agency costs (Shleifer & Wolfenzon, 2002). Secondly, economies of scale can be possible since disclosure regulation will result in efficiency gains by reducing investors' duplication of information production and enhance comparability of disclosed information across business and sectors. Similarly, when financial information users receive more accurate and timely assessments about the firm's performances and the optimal level of corporate disclosure, market-wide cost savings and efficiency can be relatively achieved across similar firms (Dye & Sridhar, 2008). Leung & Ilsever (2013) also argued that, the one way to mitigate problems from agency relationship is to reduce the information asymmetry between managers and investors. Thus the adoption of IFRSs would ensure that managers give and disclose relevant and reliable accounting information and reports to the shareholders thus reducing agency problems.

Signaling Theory

The signaling theory is useful for describing behavior when two parties (individuals or organizations) have access to different information. Typically, one party, the sender, must choose whether to communicate (or signal) the information and how, and the other party, the receiver, must choose how to interpret the signal. In circumstances of the information asymmetry (Akerlof, 1970), signaling theory suggests that companies with superior performance (or good companies) use financial information to send signals to the market. (Ross, 1977; Spence, 1973), showed that if the cost of signal is higher for the bad type than it is for the good type. The bad type may not find it worthwhile to mimic, and so the signal could be credible. Ross (1977) demonstrated how debt could be used as a costly signal to separate the good from the bad. Therefore, managers can be motivated to disclose private information voluntarily. This is because they expect this to provide (and to be interpreted as) a good signal about their company's performance to the market, and as reducing information asymmetry.

Signaling theory would suggest that the provision of voluntary IFRSs disclosures would give an indication of firms' decision-making process and financial behaviour (Eccles, Hertz, Keegan & Phillips, 2001). For example, voluntary IFRSs disclosure may signify the intention of firms to distinguish themselves and give positive signals to market participants about their managerial ability and performance (Watson, Shrives & Marston, 2002). Also, the violation of debt covenants would give investors a negative signal of corporate performance with negative implications for firm creditability and future financial prospects. Thus, the combination of agency and signaling theory is possible to lead to predictions about firm financial behaviour and accounting choices and improve the understanding of financial

statements (Morris, 1987).

The adoption of IFRSs gives a positive signal of higher quality accounting and transparency (Tendeloo & Vanstraelen, 2005) and would also lead to lower information asymmetry and cost of capital (Leuz & Verrecchia, 2000). Similarly, the provision of quality accounting disclosures would tend to reduce the opportunities for earnings manipulation and enhance the stock market efficiency (Leuz & Wüstemann, 2003). The higher disclosure requirements and financial reporting quality that stem from IFRSs implies that the adoption of IFRSs gives a positive signal to investors as information asymmetry and agency costs tend to diminish (Tarca, 2004).

Review of Empirical Studies

Chalmers, Clinch & Godfrey (2011) investigated the impact of IFRS on value relevance of accounting information for firms listed on Australian Securities Exchange considering 18,613 over 19 years test period. Data were collected from Aspec Huntley's datalink, Australian graduate school of management centre for research in finance. Using longitudinal study that covers pre IFRS (1990-2004), Transition (2005) and post IFRS (2006-2008) during 1990 to 2008. Employed price and return model regression with equity book value, reported earnings and share price as the variables and found that combined value relevance of financial information alters a little; however, earning becomes more value relevant while book value does not have value relevant. Earnings remain persistent while book value did not increase.

Clarkson, Hanna, Richardson & Thompson (2011) investigated the impact of IFRS adoption on value relevance of book value and earnings for equity valuation using 3488 firms that adopted IFRS in 2005 and had restated their 2004 account to IFRS based from 14 Europeans countries comprising of 3 common law and 12 code law countries. Data were sourced from July 2007 world scope and data stream. Using linear regression, they found significant increase in value relevance for code law countries but no significant value relevance for common law countries after adoption of IFRS. When product term was added to the linear regression model the result revealed that there is no significant value relevance of financial information where either code or common law countries switched to IFRS. However, the use of future share price, that is, six months after the fiscal year might affect the result of this research since it reflects future information which will add uncorrelated measurement error to the dependent variable.

Khanagha (2011) studied the value relevance of financial information trying to describe the effect of IFRS in two selected countries, that is, UAE and Bahrain. Data were collected from gulf base database, Bloomberg and DataStream. UAE sample was selected from Abu Dhabi stock market for the period of 2001 through 2008 and Bahrain1996 through 2008. In this study, the regression-variations and the portfolio-returns approaches was used to investigate and to operationalize the value relevance of accounting information. A comparison of the results for the periods before and after adoption based on both regression and portfolio approaches showed an improvement in value relevance of accounting information after the reform in accounting standards in Bahrain stock market, while the results for UAE stock market, showed a decline in value relevance of accounting information after the reform in accounting standards. It could be interpreted to mean that adoption of IFRS in UAE did not improve value relevance of accounting information. A comparison of the results between the two countries based on the price model shows that the accounting information in Bahrain is more relevant than that of the UAE. The results of Price model also show that all coefficients are statistically significant for Bahrain while for UAE only the coefficient of EPS is statistically significant. A comparison of the result based on the return model shows that accounting information in UAE is more value relevant than Bahrain.

Lee, Walker & Zeng (2013) conducted a research on 10,017 Chinese industrial firms listed on Shanghai and Shenzhen Stock Exchange covering 2003 to 2009 and used pre-post analyses with 2007 as benchmark. the 10,017 firm year observation were split into treatment and control group based on IFRS adoption time. That is, firms in the treatment group consisted of those reporting on Chinese GAAP before 2007 and IFRS as from 2007 while the control group consisted of firms that have been reporting on IFRS even before 2007. The result showed that no significant change in value relevance of accounting information for firms in the control group while firms in the treatment group experienced significant change in value relevant which can be attributed to IFRS adoption. The result also showed that IFRS value relevance has a stronger effect on manufacturing firms, firms in less developed areas and those not depending on government subsidy. From China's development perspective, government intervention and the nature of the firm determine its value relevance, but Qu & Zhang (2011) concluded that, fair value does not enhance value relevant in China. Although fair value is not the only element of change in IFRS and so could limit the result.

Kargin (2013) examined the pre and post effect of IFRS adoption of accounting information on Turkish firms listed on Istanbul stock exchange excluding the financial sector from 1998 to 2011, using the Olhson model 1995 to test value relevance of accounting data for firms with positive earnings and the improvements on value relevance of accounting information in the pre and post IFRS periods. The result showed that financial information are more value relevant. Similarly, the value relevance of the book value has increased with IFRS adoption while earnings have no significant incremental value relevance. The results of the pooled data showed that the coefficient estimates of both earnings and book value are positive. However, only book value has significant effect on the market value per share or stock prices. The results of multiple linear regressions of stock prices on book value and earnings for firms that reported positive earnings have positive and significant effects on stock prices of selected ISE firms as well as the coefficient estimates of both book value and earnings per share. Thus IFRS adoption has improved value relevance of accounting information in Turkey for the selected firms and periods.

In Nigeria, Umoren and Enang, (2015) empirically examines whether the mandatory adoption of IFRS has improved the value relevance of financial information in financial statements of commercial banks in Nigeria. The sample comprises of twelve listed banks in Nigeria. Specifically, financial statement figures of 2010 and 2011 (pre-adoption period) and 2012 and 2013 (post-adoption) were utilized. Descriptive statistics and least square regression were conducted to analyse the effect of IFRS adoption on the accounting quality. The result indicates that the equity value and earnings of banks are relatively value relevant to share prices under IFRS than under the previous Nigerian SAS. Results also indicate that earnings per share is incrementally value relevant during post-IFRS period while book value of equity per share is incrementally less value relevant during the post-IFRS period.

Yahaya, Yusuf & Dania, (2015) studied post-IFRS adoption value relevance of accounting information using two models. First, a price model which used proxies such as market price per share, book value of equity per share, earnings per share and cash flow per share. Second, a return model which used proxies such as annual return, earning per share, change in earning per share and the results showed that the explanatory power *R2* for the price model specification is 84% for the total sample and that all coefficients are statistically significant. A comparison of coefficients indicates that the EPS of 3.47 has a higher explanatory power than any other variables. The results also demonstrate that explanatory power of accounting numbers increased from pre-adoption (60%) to post-adoption (78%). Similarly, Explanatory power (R^2) for the return model specification is 13.4% for the total sample and just coefficient of EPS level is statistically significant. The explanatory power for the return model increased from pre-adoption (15.6%) to post-adoption (16.4%). According

to both sub-samples just a coefficient of EPS level is statistically significant. So, the result of the return model also indicates adoption of IFRS improved relevance of accounting numbers in the deposit money banking sector. In view of these results, there is need for further study to explore the reasons for the superiority of EPS over BVEPS.

RESEARCH METHODOLOGY

This study is based on the ex-post facto research design. The population and Sample size of this study covers all the 15 listed Deposit Money Banks in Nigeria as at 31st December, 2015. The major data for the study is obtained through the secondary source. Secondary data relevant for the study were extracted from the annual published accounts of selected deposit money banks in respect to the period under study (i.e. 2008-2015).

In order to achieve this objective, several data analytical techniques were deployed. The study uses descriptive statistics to summarize the data collected explicitly. Furthermore, OLS multiple regression technique was used to determine the effect of the independent variable on the dependent variable. The statistical package for social sciences (SPSS) version 20 and E-views version 8 were used for this analysis. The analysis is anchored on two multiple linear regression models which is formulated as follow.

$$PreIFRSSP_{it} = \alpha + \beta_1 PreIFRS\ EPS_{it} + \beta_2 PreIFRS\ VOS_{it} + \beta_3 PreIFRS\ BVPS_{it} + U \text{-----------} 1$$

$$PostIFRSSP_{it} = \alpha + \beta_1 PostIFRS\ EPS_{it} + \beta_2 PostIFRS\ VOS_{it} + \beta_3 PostIFRS\ BVPS_{it} + U \text{-------} 2$$

Where;

Pre and post IFRS SP = *Share price before and after the adoption of IFRS of Bank i at time t.*

Pre and post IFRS EPS = *Earnings per share before and after the adoption of IFRS of Bank i at time t.*

Pre and post IFRS VOS = *Volume of share before and after the adoption of IFRS of Bank i at time t.*

Pre and post IFRS BVPS = *Book value per share before and after the IFRS adoption of Bank i at time t.*

DATA PRESENTATION AND ANALYSIS

The data for this research were extracted from annual reports of the sampled banks. Data was extracted in respect to EPS, VOS, BVPS and SP for each of the sampled banks for the years 2008 to 2015 considering 2008 to 2011 as pre- IFRS while 2012 to 2015 represents post-IFRS.

Pre IFRS Results Presentation and Analysis

This section presents the pre IFRS results which contain descriptive statistics and OLS results.

Descriptive Statistics of Variables

Table 1: Pre IFRS Descriptive Statistics for all Variables

	N	Minimum	Maximum	Mean	Std. Deviation
PreIFRSSP	50	-92.00	315.00	81.5440	94.77775
PreIFRSEPS	50	-3.20	1324.57	28.2047	187.08173
PreIFRSBVPS	50	.00	11.44	5.7441	2.98169
PreIFRSVOS	50	1231722.00	3750327000.00	1494157999.8600	959798705.28862

Valid N (listwise)	50				

Source: Researcher's Computation Using SPSS Version, 20

Table 1, shows the nature and properties of data used in the research and it reveals that SP has an average of 81.5440 and standard deviation of 94.77775 while -92 and 315 are the minimum and maximum values respectively. The standard deviation reveals that the data of share price are far spread across the mean of the data. This simply implies that the share prices of DMBs in Nigeria are not similar. This is further confirmed by the disparity between the maximum and minimum values. Thus, the price of shares of DMBs varies a great deal from one bank to the other.

EPS has a mean of 28.2047 and standard deviation of 187.08173. From the value of the standard deviation it can be deduced that the EPS are not tightly clustered around the mean of data under study, invariably the DMB's earnings are different from bank to bank. Moreover, the minimum value is -0.320 and 1324.57 as maximum value thus, it has a large range of EPS reading from the minimum and maximum values.

BVPS has a mean of 5.7441, standard deviation as 2.98169 with a minimum value of 0.00 and maximum value of 11.44. This result shows that the average is far lower than the maximum value and minimum value implying a wide range of variation in the net asset value of DMBs in Nigeria. Also, the standard deviation reflects that BVPS values are not widely spread out around the mean because it is not relatively large. But, the minimum and maximum value reflects that some firms have very low net assets while the others have very high net assets.

VOS has a mean of 1,494,157,999.8600 billion and a fluctuation of 959,798,705.28862 million with a minimum value of 1,231,722.0 and maximum value of 3,750,327,000.00. This result shows that the average is far higher than the maximum value and minimum value implying a wide range of variation in the volume of shares of DMBs in Nigeria. Also, the standard deviation reflects that VOS values are not widely spread out around the mean because it is not relatively large. But, the minimum and maximum values reflect that some firms have very low volume of shares while the others have very high volume of shares.

Robustness Test

The robustness test is carried out to check the fitness of the model and its element as to whether the result provided is reliable. This section contains multi-collinearity test and Durbin Watson test for autocorrelation.

Multi-collinearity Test

The test for multi-collinearity is one of the robustness tests carried out in this research. The Variance Inflation Factor (VIF) is used to test excessive correlation among variables which in turn, produce evidence of robustness of the model specified in this study. VIF shows how the variance of an estimator is inflated by the presence of multicollinearity. That is, as the extent of collinearity increases, the variance of an estimator increases, and in the limit it can become infinite (Gujarati, 2006). As a benchmark for diagnosing multi-collinearity, when the Variance Inflation Factor (VIF) of variables is above 10 or the Tolerance Value (TV) is less than 0.10 it indicates a strong presence of multi-collinearity.

Table 2: Test of Multi-collinearity

Variables		Collinearity Statistics	
		Tolerance	VIF
	PreIFRSEPS	.948	1.054
1	PreIFRSVOS	.901	1.110
	PreIFRSBVPS	.948	1.055

a. Dependent Variable: PreIFRSSP

Source: Researcher's Computation Using SPSS Version, 20

Table 2, reveals the absence of multi-collinearity among the variables as the EPS, VOS and BVPS have VIF that are less than 10 and Tolerance values that are above 0.1. Based on this, the model can be described as fit and robust for the study since there is no evidence of multi-co-linearity.

Test for Autocorrelation

The Durbin Watson statistics is used to test for the presence of autocorrelation among the variables in this study. The Durbin Watson statistics for the model is estimated at 1.130. This figure is less than or approximately 2 (see table 3). This indicates that the assumption of independent error is not tenable for this study since this figure is approximately 2. This also shows that the model is not suffering from incidence of autocorrelation and as such, there is no possibility of spurious regression (Durbin & Watson, 1951).

Pre IFRS Regression Result

This section presents the results of the regression and further discusses the findings from the result.

Table 3: OLS Regression Results

Dependent Variable: PRESP
Method: Least Squares
Date: 01/22/17 Time: 11:45
Sample (adjusted): 1 50
Included observations: 50 after adjustments

Variable	Coefficient	Std. Error	t-Statistic	Prob.
PREEPS	0.048365	0.057788	0.836938	0.4070
PREVOS	6.40E-08	1.16E-08	5.538523	0.0000
PREBVPS	2.632281	3.626765	0.725793	0.4716
C	-30.56075	26.24912	-1.164258	0.2503

R-squared	0.432343	Mean dependent var	81.54400
Adjusted R-squared	0.395322	S.D. dependent var	94.77775
S.E. of regression	73.70015	Akaike info criterion	11.51451
Sum squared resid	249858.8	Schwarz criterion	11.66747
Log likelihood	-283.8626	Hannan-Quinn criter.	11.57275
F-statistic	11.67830	Durbin-Watson stat	1.130096
Prob(F-statistic)	0.000008		

Source: Researchers Computation Using SPSS Version, 20

Table 3, represents the summary of regression result after employing e-views version 8 for data analyses and therefore the initial equation would be restated as thus:
PreSP = -30.56075 + 0.05EPSpre – 6.40E-08VOSpre – 2.63BVPSpre

Pre IFRS Earnings per Share and Share Price

The result presented in table 4 above revealed a beta coefficient value of 0.05% and a p- value of 0.4. This shows that EPS does not have statistically significant impact on share price of DMB. This implies that for every 1% increase in EPS, there will be a corresponding insignificant increase in share price by 0.05 provided all other variables are held constant. The result shows that EPS has positive but insignificant impact on share prices thus, not value relevant. This does not meets the normal expectation that EPS should be a basis of making investment decisions in the capital market as EPS has the biggest influence on stock prices. The result is in line with the findings of Chang, Chen, & Leung, (2011) and Khanagha, Mohamad, Hassan & Sori (2011) who both found that EPS has positive insignificant relationship with share price while it contradicts the findings of Alfaraih & Alanezi (2011), Bhatt & Sumangala (2012), Agostino, Drago & Silipo,(2011) and Al-deehani (2005) who documented that EPS has positive significant impact on share price.

Pre IFRS volume of share (VOS) and share price

More so, the coefficient for VOS in table 4 showed a positive but significant relationship between VOS and SP. It shows a coefficient of 6.40E-08% and p-value of 0.0000. The implication is that for every 1% increase in VOS, the SP increase by 6.4 E-6%. Existing studies so far have not employed the use of VOS as financial information proxy and as such previous findings on this aspect are not found. But it is expected that VOS should have positive impact on SP if earnings consistently increased with increase in years. Thus this finding is consistent with our apriori expectation.

Pre IFRS Book Value per Share and Share Price

The coefficient for BVPS reveals an insignificant positive impact on share prices since the coefficient is 2.6 and p-value is 0.25 which is insignificant at 5%. This implies that for every 1% increase in BVPS there is a resulting insignificant increase in share price by 2.6%. By implication, share price increases with increase in BVPS, assuming all other variables are constant but with no statistical significance thus, not value relevant. The result reveals that book value is not value relevant as it has negative insignificant impact on share price in the Nigerian DMBs. This means that an increase in book value suggests increase in the share price. This result confirms the position of Anadarajan, Hasan, Isık, & McCarthy (2006) who asserted that book value might appeal to investor in seeking relationship to the value of firms but it might not be a good indicator of value of many firms**.** This is in tandem with the findings of Agostino *et al* (2011) which was based on the banks in the EU countries using a multiplicative interactive model while it contradicts the findings of Karunarathne & Rajapakse (2010), Alfaraih & Alanezi (2011), Khanagha (2011), Collins, Maydew & Weiss,(1997), Al-deehani (2005), Lopes (2010) and Galean & Stenheim (2010) who found that book value per share has positive significant impact on share price.

The result of Karunarathne and Rajapakse (2010) can be criticised on the basis of short period analyses which has the potential of altering a result. However, Alfaraih & Alanezi (2011) had the same result when they conducted their research in Kuwait using a longer period of analyses. Moreover, Al-deehani (2005) used the extreme bound analyses and considered nine variables in Kuwait while Collins et al (1997) results could be attributed to the use of firms of small size, intangible intensities and firms reporting negative earnings. The use of firms with negative earnings by Collins et al(1997) connects to the view of

Burgstahler & Dichev (1997) that the extent of association of earnings and book value is dependent on the level of success of the firms since book value becomes an important determinant of equity when a firm is unsuccessful. Similarly, Lopes (2010) research result was based on concentrated ownership capital structure as a result of the Brazilian corporate law while that of Galean & Stenhaim (2010) differed due to the inclusion of controls for firm size, growth and operational cash flow.

Value Relevance of Pre-IFRS Financial Information

The aggregate value relevance of pre-IFRS financial information shows that EPS, VOS and BVPS in aggregate explains 43% variation in share prices as revealed by overall R-squared of 0.43. The F-statistic is 11.67830 and Prob (F-statistic) of 0.000008 further reveals that the model is fit and significant at 5%. From the above result, it is clear that 43 per cent of variation in share prices is dependent on pre-IFRS financial information holding other variables constant. This implies that pre-IFRS financial information is value relevant with an overshadowing impact of VOS as it is significant at 5%. The result confirms the findings of Keener (2011), Ai-deehani (2005) and Agostino (2011).

Post IFRS Result Presentation and Analysis

This section presents the post IFRS result which contains descriptive statistics, correlation matrix, multi-collinearity Autocorrelation test and regression model.

Descriptive Statistics

This section gives an insight into the properties of the set of data employed for post IFRS analyses.

Table 4: Post -IFRS Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
PostIFRSSP	50	6.09	9.57	8.9987	.58810
PostIFRSEPS	50	-103.40	1290.98	24.0300	183.42259
postIFRSVOS	50	-3750327000.00	2470206278.00	-18987641.9400	887478764.82825
PostIFRSBVPS	50	-78.41	19.11	5.6015	13.24561
Valid N (listwise)	50				

Source: Researcher's Computation Using SPSS Version, 20

Table 4 shows the descriptive statistics of variables, nature and properties of data. SP has a mean 8.99 and a standard deviation of 0.588 with a minimum of 6.09 and maximum of 9.57. The data is closely spread across the mean of SP meaning that SP of banks differs relatively from one bank to the other. This is further confirmed by the mean which is very close to the maximum value. However, compared to pre IFRS data on SP, the shares DMBs reduced a great deal judging from the mean and maximum of the pre IFRS data.

EPS has an average of 24.03 and standard deviation is 183 with a minimum of -103.40 and a maximum of 1290 resulting from 50 panel observations. Though the mean is low compared to the maximum, the standard deviation proves that the data set for EPS is widely spread across the mean indicating that some DMBs earn very low while the others earn very high. The earnings of DMBs in Nigeria seem to have decreased slightly after adoption of IFRS compared to the pre IFRS earnings. This could be attributed to changes in

valuation methods and recognition of earnings in IFRS framework.

The VOS has a mean value of -18,987,641.9400. It also has a standard deviation of 887,478,764.82825 showing wide disparity among values of VOS of different banks. The minimum value is -3750327000.00 while the maximum is 2470206278.00. The volume of shares of DMBs in Nigeria seems to have decreased greatly after adoption of IFRS compared to the pre IFRS VOS. This could be attributed to low number of shares issued for subscription in the post IFRS period.

BVPS has an average 5.6 while its standard deviation 13.2 with a minimum value of -78.41 and maximum of 19.11. The standard deviation is high and so implies that the data is spread widely across the mean value. Also the minimum is too small compared to the maximum, that is, the net assets of some DMBs are very high while the others are very low. The values for BVPS decreased after IFRS adoption because the values of mean, standard deviation, minimum and maximum are higher than what we have after adoption.

Robustness Test

The robustness test is carried out to check the fitness of the research model and its element as to whether the result to be provided would be reliable. This section also contains multi-collinearity test, and Autocorrelation test in respect of post IFRS.

Multi-collinearity Test

The test for multi-co-linearity is one of the robustness tests carried out in this research. The Variance Inflation Factor (VIF) is used to test excessive correlation among variables.

Table 5: Test of Multi-collinearity

Model		Collinearity Statistics	
		Tolerance	VIF
	PostIFRSEPS	.910	1.099
1	postIFRSVOS	.908	1.102
	PostIFRSBVPS	.993	1.007

a. Dependent Variable: PostIFRSSP

Source: Researcher's Computation Using SPSS Version, 20

Table 5 reveals the absence of multi-collinearity as the EPS, VOS and BVPS of post IFRS all have VIF that are less than 10 and Tolerance values that are above 0.1. Based on this result, the model can be described as fit and robust for the study since there is no evidence of multi-collinearity.

Test for Autocorrelation

The Durbin Watson statistics is used to test for the presence of autocorrelation among the variables in this study. The Durbin Watson statistics for the model is estimated at 1.130. This figure is less than or approximately 2 (see table 4). This indicates that the assumption of independent error is not tenable for this study since this figure is approximately 2. This also shows that the model is not suffering from incidence of autocorrelation and as such, there is no possibility of spurious regression (Durbin & Watson, 1951).

Post IFRS Regression Result

The result of the post IFRS regression is presented in the table below and the findings will be discussed in this section.

Table 6: Ordinary Least Square (OLS) Result

Dependent Variable: POSTSP
Method: Least Squares
Date: 01/22/17 Time: 16:33
Sample (adjusted): 1 50
Included observations: 50 after adjustments

Variable	Coefficient	Std. Error	t-Statistic	Prob.
POSTEPS	7.39E-05	0.000434	0.170243	0.8656
POSTVOS	-3.11E-10	8.98E-11	-3.463617	0.0012
POSTBVPS	-0.002577	0.005751	-0.448101	0.6562
C	9.004557	0.082172	109.5814	0.0000

R-squared	0.233686	Mean dependent var	8.997800
Adjusted R-squared	0.183709	S.D. dependent var	0.588031
S.E. of regression	0.531279	Akaike info criterion	1.649560
Sum squared resid	12.98385	Schwarz criterion	1.802522
Log likelihood	-37.23901	Hannan-Quinn criter.	1.707809
F-statistic	4.675878	Durbin-Watson stat	1.357379
Prob(F-statistic)	0.006210		

Source: Researcher's Computation Using E-views Version 8

Table 6 shows the result from estimated regression of post IFRS analyses. The equation is reformulated as follow:

SP = 9.004557+ 7.39E-05EPSpost + -3.11E-10VOSpost + -0.002577BVPSpost

Post IFRS EPS and Share Price

From the above table, EPS has a coefficient of 7.39E-05 at a P-value of 0.8656. The result reveals that EPS based on IFRS has an insignificant effect on share price in the DMBs thereby, insinuating that EPS after IFRS adoption is not value relevant. This result confirms the findings of Qu & Zhang (2011), Kargin (2013), Beisland (2009) and Galaen & Stenhaim (2010) while it contradicts Agostino (2011), Dung (2010), Alfaraih & Alanezi (2011), Turel (2009), Chalmers, Clinch, Godfrey, & Wei, (2012), and Khanagha (2011).

Post IFRS VOS and Share Price

The VOS during IFRS adoption has a coefficient of -3.11E-10 and a p-value of 0.0012 which is statistically significant at 5%. This outcome indicates an inverse impact of on SP and it is statistically significant. However, researches have not used VOS as a financial information variable for post IFRS researches.

Post IFRS BVPS and Share Price

The BVPS results revealed a positive insignificant impact on share price with a coefficient of -0.002577 and p- value of 0.6562. IFRS based BVPS has a negative but insignificant effect on stock price. The insignificance of co-efficient implies that IFRS has no significant impact on the value relevance of BVPS. BVPS being the net assets of the firm should not be relied on in making investment decisions as it does not significantly explain the variation in share price.

This finding confirms the result of Agostino (2011) and Qu & Zhang (2011) while it contradicts the general notion that if net asset is close to its realistic values it is value

relevant. With IFRS adoption, the use of fair value measurement for asset becomes prominent and the fair value is assumed to be closer to real value of an asset at a point in time unlike the historical cost accounting. The fact that fair value is used in measurement of asset should make the net asset close to its real value and consequently enhancing value relevance of book value. However, the following reasons could be proffered for getting a result of this nature.

Firstly, the BVPS reveal a general view of a firm's statement of financial position since its computation includes all the content of a balance sheet. Now IFRS adoption involves valuing assets at a point in time and as such increases the volatility in book values of firms. Secondly, this finding is particular to Nigerian DMBs. This is because the banks are prominently known for the trading of financial instruments and derivatives which should be measured at fair value. More so, IFRS adoption led to reclassification of this financial instrument which are to be treated differently i.e. in accordance to their classification. Thirdly, with IFRS adoption the definition of intangible asset changed. The Implication is that items that were usually considered as assets and treated in the statement of financial position are now expensed in the income statements.

Nevertheless, some studies reported that BVPS is value relevant under IFRS adoption like Beisland (2009), Stergois, Athanasios & Niklolaev, (2005) Galean (2010), Qu & Zhang (2011) and Kargin (2013). In trying to affirm this result, it is obvious that Kargin (2013) carried out his investigation on firms with positive earnings, which perhaps explains the reason for this result. However, this outcome contradicts the statement of Burgstahler & Dichev (1997) that the extent of association of earnings and book value is dependent on the level of success of a firm, because when a firm is unsuccessful book value becomes an important determinant of equity value. Moreover, Beisland (2009) did not employ traditional value relevant regression. Instead, he included sign and disaggregated effect in the regression analyses while Stergois et al (2005) based their analyses on a two year period. The above point can actually limit the reliability of their result.

Post-IFRS Adoption and Value Relevance of Financial Statement

The aggregate result from the post IFRS regression analyses presented in table 6 reveals that R-squared overall is 0.233686 which means that 23.4% variation in share price is explained by variation in post IFRS financial information. Moreover, the f-statistics at 4.675878 and Prob (F-statistic) of 0.006210 is significant at 5% it thereby, depicts that the model is fit and reliable.

This result indicates that post IFRS financial information has a weak value relevance. However, the elements that made up financial information are not value relevant in post IFRS adoption thereby giving a low cumulative relationship to share price.

Based on the above, we conclude that IFRS adoption does not enhance value relevance of financial information in the Nigerian DMBs. This supports the findings of Clarkson et al (2011), Psaroulis (2011), Qu & Zhang (2010) and (Khanagha (2011) for UAE while it contradicts the findings of Lee et al (2013), Kargin (2013), Tsalavoutas (2009), (Khanagha 2011), Gjerde, Knivsfla & Saettan, (2008), Alfaraih (2009), Galaen & Stenheim (2010) and Chalmers et al (2011), Palae (2013).

It is however expected that IFRS adopted financial information will be highly value relevant but the reverse is the case in Nigerian DMBs. This could have resulted from the time Nigeria adopted IFRS and the level of preparation to meet the changes that accompany IFRS adoption.

Relative Value Relevance of Pre and Post IFRS financial information

Relative value relevance helps to compare the value relevance of two separate set of financial information in order to ascertain which one is more value relevant. Houthausen &

Watts (2001), who conducted a research on value relevance of value relevance studies, established that the relative value relevance can be ascertained by comparing the R- squared of accounting information involved in the analyses. This approach was also confirmed by Lambart (1996). Based on the above understanding, we compare R-squared of Pre IFRS financial information to that of post IFRS. The study revealed Pre IFRS R-squared to be 0.43 or 43% while post IFRS R-squared is 0.23 or 23%. We therefore conclude that post IFRS financial information does not have relative value relevance over and above pre IFRS financial information. The finding of this study confirms the outcome of Khanagha (2011) and Palea (2013) while it contradicts the findings of Agostino (2011), Turel (2009), Kargin (2013), Lee et al (2013) and Galaen & Stenheim, (2010). Based on the foregoing result we have enough evidence to reject the null hypothesis that states: that there is no significant difference between the value relevance of financial information of Pre and post IFRS adoption of Nigerian DMBs.

Test of Research Hypotheses

This section of the chapter provides a test of research hypotheses. This was done using the beta coefficients and their level of significance. The researcher here will examines the level of significance or insignificance of each beta coefficient in respect to each hypothesis so as to enable a decision to be made as to whether to accept or reject the study's formulated null hypotheses. The result of this study (see table 3 and 6) provides absolute evidence for the acceptance of the first and third null hypotheses and subsequent rejection of the second null hypothesis of the study. The study therefore concludes that:

i. Earnings per share do not significantly impact on the share price of Deposit Money Banks in Nigeria after IFRS adoption.
ii. Volume of shares issued significantly impact on the share price of Deposit Money Banks in Nigeria after IFRS adoption.
iii. Book value per share does not significantly impact on the share price of Deposit Money Banks in Nigeria after IFRS adoption.
iv. Value relevance of financial information of Pre and post IFRS adoption in Nigerian DMBs differs significantly.

Discussion of Findings

This study's first objective was concerned with investigating the effect of the earnings per share on the share price of Deposit Money Banks in Nigeria. Consequently, the null hypothesis was formulated in line with this objective and was tested using the t-test statistics at 5% level of significance. Findings from this test revealed that there is no significant impact of the pre and post-IFRS earnings per share on the share price of deposit money banks in Nigeria. This does not meet the normal expectation that EPS should be a basis of making investment decisions in the capital market as EPS has the biggest influence on stock prices. The result is in line with the findings of Chang *et al*, (2011) and Khanagha *et al,* (2011) who both found that EPS has positive insignificant relationship with share price while it contradicts the findings of Alfaraih & Alanezi (2011), Bhatt & Sumangala (2012), Agostino (2011) and Al-deehani (2005) who documented that EPS has positive significant impact on share price.

Furthermore, the second objective of this study which seeks to the effect of volume of shares issued on the share price of deposit money banks in Nigeria after IFRS adoption. Consequently, the null hypothesis was also formulated in line with this objective and was tested using the t-test statistics at 5% level of significance. Findings from this study revealed that post IFRS volume of share issued significantly affect the share price of deposit money banks in Nigeria. Researches so far have not employed the use of VOS as financial

information proxy and as such previous findings on this aspect are not found. But we expect that VOS should have positive impact on SP if earnings consistently increased with increase in years. Thus this finding is consistent with our apriori expectation.

Finally, the third objective of this study which sought to ascertain the effect of book value per share on the share price of deposit money banks in Nigeria after IFRS adoption, Consequently, the null hypothesis was also formulated in line with this objective and was tested using the t-test statistics at 5% level of significance. Findings from this study revealed that the post-IFRS book value per share on the share price of deposit money banks in Nigeria is not statistically significant. This result tallies with Anadarajan *et al*., (2006) studies which asserted that book value might appeal to investor in seeking relationship to the value of firms but it might not be a good indicator of value of many firms**.** This is in tandem with the findings of Agostino et al (2011) which was based on the banks in the EU countries using a multiplicative interactive model while it contradicts the findings of Karunarathne & Rajapakse (2010), Alfaraih & Alanezi (2011), Khanagha (2011), Collins *et al.*, (1997), Al-deehani (2005), Lopes (2010) and Galean & Stenheim (2010) who found that book value per share has positive significant impact on share price.

The result of Karunarathne & Rajapakse (2010) can be criticised on the basis of short period of analyses which has the potential to alter a result. However, Alfaraih & Alanezi (2011) had the same result when he conducted his research in Kuwait using a longer period of analyses. Moreover, Al-deehani (2005) used extreme bound analyses and up to nine variables in Kuwait while Collins *et al*, (1997) results could be attributed to the use of firms with small size, intangible intensities and firms reporting negative earnings. The use of firms with negative earnings by Collins et al (1997) connects to the view of Burgstahler & Dichev (1997) that the extent of association of earnings and book value is dependent on the level of success of firms because when a firm is unsuccessful book value becomes an important determinant of equity. Furthermore, Lopes (2010) documented that the result was based on concentrated ownership capital structure resulting from Brazilian corporate law while that of Galean & Stenhaim (2010) might have differed due to the inclusion of controls for firm size, growth and operational cash flow.

This finding contradicts the general notion that if net asset is close to its realistic value it is value relevant. With IFRS adoption, the use of fair value measurement for asset becomes prominent and the fair value is assumed to be closer to real value of an asset at a point in time unlike the historical cost accounting. The fact that fair value is used in measurement of asset should make the net asset close to its real value and consequently enhancing value relevance of book value. However, the following reasons could be proffered for getting a result of this nature.

First, the BVPS reveal a general view of a firm's statement of financial position since its computation includes all the contents of the statement of financial position. Now IFRS adoption involves valuing assets at a point in time and as such increases the volatility in book values of firms.

Secondly, this finding is particular to Nigerian DMBs. This is because the banks are prominently known for the trading of financial instruments and derivatives which should be measured at fair value. More so, IFRS adoption led to reclassification of this financial instrument which are to be treated differently i.e. in accordance to their classification.

Thirdly, with IFRS adoption the definition of intangible asset changed. The Implication is that items that were usually considered as assets and treated in the statement of financial position are now expensed in the income statements.

Nevertheless, some studies reported that BVPS is value relevant under IFRS adoption like Beisland (2009), Stergois et al (2005) Galean & Stenhaim (2010), Qu & Zhang (2011) and Kargin (2013). In trying to affirm this result, Kargin (2013) carried out his investigation

on firms with positive earnings, which perhaps explains the reason for this result. However, this outcome contradicts the statement of Burgstahler & Dichev (1997) that the extent of association of earnings and book value is dependent on the level of success of a firm, because when a firm is unsuccessful book value becomes an important determinant of equity value. Moreover, Beisland (2009) did not employ traditional value relevant regression. Instead, he included sign and disaggregated effect in the regression analyses while Stergois et al (2005) based their analyses on a two year period. The above point can actually limit the reliability of their result.

Conclusion and Recommendations

The inception of IFRS is one of the most challenging changes in the framework of accounting globally. The content of IFRS has been an issue of discourse and argument among scholars over decades most especially on historical cost accounting and fair value measurement. Whether NGAAP financial information has any impact on variation in share price has been a major regulatory and academic subject matter in Nigeria. IFRS adoption raised the need to investigate whether IFRS financial information has any impact on the variation of share price. This is rather a new aspect in accounting, especially Nigeria. This present study has empirically investigated the effect of IFRS adoption on value relevance of financial information in the Nigerian DMBs.

A high quality accounting is expected to make financial information to reflect in changes in stock price i.e. explaining a reasonable part of variation in stock price. A change in accounting and financial reporting should mean an improvement over the previously existing standard. In the light of these findings, the study concludes specifically that:

i. EPS before and after IFRS adoption has an insignificant effect on stock price and as such it is not value relevant.
ii. VOS before and after IFRS adoption have significant effect on share price and as such they are value relevant.
iii. BVPS before and after IFRS adoption have no significant effect on stock price. Thus, not value relevant.
iv. On aggregate level, pre IFRS financial information is more value relevant when compared to the post IFRS financial information. Therefore, accounting information has value relevance and IFRS adoption has pronounced impact on the Nigeria banking industry

In line with the conclusion of this study, the following recommendations are made.

i. Management, external auditors and regulators should work together to tighten compliance in the Nigerian DMBs in order to enhance the impact of IFRS. Enforcement is better than the standard setting itself as rigid regulation and enforcement could bring out the benefit of IFRS.
ii. Organisations should provide all necessary resources needed to understand the impact of IFRS on their organisation and train staff on IFRS and changes in accounting framework.
iii. Organisations should ensure that corporate governance is strongly implemented since it ensures the quality of earnings.
iv. IFRS should be adopted not just in form but also in substance.

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