FAIR VALUE MEASUREMENT (IFRS 13) AND INVESTING DECISION: THE STANDPOINT OF ACCOUNTING ACADEMICS AND AUDITORS IN LAGOS AND OGUN STATE, NIGERIA

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ABSTRACT

This study examined the view of stakeholders as to *whether or not Fair Value Measurement (IFRS 13) increased disclosure will lead to more meaningful investment decisions. The study adopted the Survey research design involving the collection of data from auditors of the "Big 4" and accounting academics in selected private universities in Nigeria. Primary* data *were obtained through the administration of copies of survey questionnaire to* respondents. *Two hypotheses were formulated and tested using Peason Product Moment Correlation and Independent Sample T-test at a significant level of 5%. Findings from the study revealed an association between IFRS 13 increased disclosure requirement and investment decisions. The result also revealed differences in the standpoint of accounting academics and auditors regarding the impact IFRS 13 increased disclosure have on investing decisions. The study recommended that the Financial Reporting Council of Nigeria should ensure that all companies in Nigeria fully adopt IFRS 13 in the preparation and presentation of their financial statements.*

Keywords: Fair Value Measurement, IFRS, Increased Disclosure, Investing Decision, Quality.

INTRODUCTION

Accounting Standard is defined according to Izedonmi (2001) as an information system by which monetary and financial information is generated for economic, political and social decisions. They provide guidance on how company's financial statements should be prepared and presented. The development of accounting standards in Nigeria is traceable to the Association of Accountants of Nigeria (AAN) with this body established on 17th of November, 1960 but officially recognized under the Federal Parliament Act number 15 of 1965 on September 28th, 1965. This body was charged with the responsibility of regulating the accounting profession in Nigeria. According to Josiah, Okoye, Adediran and Samson (2013), the Institute of Chartered Accountants of Nigeria (formerly known as Association of Accountants in Nigeria) was responsible for the establishment of the Nigeria Accounting Standard Board (NASB) before its takeover by the Federal Government in 1985. The Nigeria Accounting Standard Board is a body responsible for the development and issuance of accounting standards in Nigeria.

In a bid to increase globalization and cross border transactions, accounting standard setters in the 70's saw a need to develop a single set of high quality International Accounting Standards (IASs) that would: replace national standards; increase efficiency; decrease cost while still enhancing accounting information for investors. As such, the International Accounting

Standard Committee (IASC) formed by sixteen (16) professional bodies from different countries of the world (USA, UK, France, Canada, Japan, Germany, Australia, Netherland and Mexico) was established in 1973. This body (IASC) was duly recognized in 2001 and came under a new identity as International Accounting Standard Board (IASB) with a purpose to develop accounting standards and related interpretations which collectively are referred to as International Financial Reporting Standards (IFRS) (Ezeani & Oladele, 2012). International Financial Reporting Standards are accounting standards (rules) that are issued by the International Accounting Standard Board (IASB) and are applicable to financial reporting by public companies around the world (Fakile, Faboyede & Nwobu, 2013). The European Union in 2005 took the lead by requiring all its listed companies to prepare and report their financial statement under IFRS. This singular act by the European Union brought about a significant boost in IFRS process of adoption with the resultant effect being the adoption of IFRS by several other countries outside European Union. Presently, more than 12,000 companies in over a hundred and twenty countries have adopted IFRS with these countries either permitting or requiring IFRS as a basis for the preparation and presentation of public companies financial statement (AICPA, 2008).In a bid not to be left out of this global move, the Nigerian Federal Council on 28th July, 2010, approved as the effective date for convergence to International Financial Reporting Standards (IFRS) in Nigeria, 1st January, 2012. In lieu of this, the IFRS adoption Roadmap Committee was set up and according to this committee, Public Listed Entities and Significant Public Interest Entities were expected to prepare and present their financial statement in accordance with IFRS by January 1, 2012; Other public interest entities are similarly expected to adopt IFRS for statutory purposes by January 1, 2013 and small and medium-sized Entities to adopt IFRS January 1, 2014.

One of the presumed benefits of IFRS adoption is that it will bring about an improvement in the quality of accounting information in the financial statement. However, in the process of preparing this financial statement, measurement of accounting element is of primary importance as it will determine to an extent the quality of the financial statement. According to Jaijaran (2013), Historical Cost Accounting and Fair Value Accounting are the two most popularly used method of measuring accounting elements in the financial statement. Prior to the development and issuance of IAS in 1973, the Historical Cost was the method in use with its objectivity, reliability and ability to provide conclusive evidence being some of its advantages. It has however been criticized on the basis of it being irrelevant during inflation (as the assets were still being valued in the books at the original price the asset was bought); its inability to recognize unrealized increases in value of assets; its lack of comparability (Rinhi-belkaoui, 2004; Deegan & Unnermarie, 2006) amongst others. Some authors also argued that Historical Cost Accounting is obsolete and very irrelevant when making investment decisions and as such should be replaced by another measurement base (Husam & Modar, 2009). The several lapses of Historical Cost Accounting and the suggestion of authors for a reformation of accounting treatment of financial instrument birthed Fair Value as an alternative to Historical Cost Accounting.

Fair value was first defined in 1982 within the concept of IAS 20 as “the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties in an arm's length transaction”. Supporting the use of fair value, IASB in 1998 revised IAS 32 which is on “Financial Instruments: Presentation and Description”; and IAS 39 which is on “Financial Instruments: Approval and Evaluation” to adopt fair value as a valuation basis. Fair value was then defined according to IAS 39 as “The amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties in an arm’s length transaction". In September 2006, Financial Accounting Standard Board similarly issued Statement of Financial Accounting Standards No. 157 which is on "Fair Value Measurement' to provide guidance on measurement of fair value for the purpose of financial reporting. Statement of Financial Accounting Standard (SFAS) 157 defines fair value to be the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Though fair value was used in over twenty (20) of the IASB's standards, the guidance on fair value which was distributed amongst several IAS's and IFRS's had some containing quite limited guidance and others containing extensive guidance that was most times not consistent.

As a result of this, the IASB and the US FASB once again saw a need to provide a single and more comprehensive source of guidance that would be applicable to almost all fair value estimates including disclosed fair values. This in 2011 gave rise to the introduction of IFRS 13 (with its application in financial statement preparation being from 2013) which represents the culmination of a convergence project carried out by IASB and FASB and by this, these two accounting standard setters were said to have achieved their aim of having a single global accounting standard for measuring fair value (Thornton, 2011). IFRS 13 defines fair value as "the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date" (Thornton, 2011). IFRS 13 according to IFRS Foundation (2013) was introduced purposely to reduce the disparity of information with respect to handling valuations according to fair value accounting, to clarify measurements and disclosure objectives, to reduce the complexity of the definitions of fair value in a bid to make it clearer for the intended users. IFRS 13 was also introduced to increase disclosure requirements regarding fair value measurements which will of course increase transparency. The purposed benefits of IFRS 13 stated above are presumed to provide investors with more information to base their decisions upon as opine by Al-Khadash and Abdulatif (2009) who defended the use of fair value accounting on the basis of it being relevant for investment decision making purpose. Since applying IFRS 13 in 2013 in the preparation of financial statements of firms in Nigeria, this study seeks to investigate whether or not there is an association between fair value measurement (IFRS 13) and investing decision in addition to also examining the opinions of stakeholders with respect to whether or not increased disclosure requirement of IFRS 13 as one of the expected benefit of IFRS 13 will lead to more meaningful investment decisions by users of financial statements. The remaining part of this research is divided into 4 parts. Section 2 reviews extensively literatures on fair value accounting. The method employed in providing answers to the research questions is provided in section 3 of this paper while the result of the data obtained and analysed from the study questionnaire is provided in section 4 of this study. Conclusion and recommendations are disclosed in section 5.

LITERATURE REVIEW

IFRS 13 and Investing Decisions

In preparing financial statements, measurement of accounting elements is one crucial factor that must not be overlooked as it determines how fairly the economic activity of organizations will be presented. Conventional accounting system supports recording of assets and liabilities in the financial statement at the original cost. This method referred to as historical cost possess some advantages some of which includes: objectivity, reliability, verifiability, free from management bias (Shamkuts, 2010) and ability to provide conclusive evidence. Its ability to also reflect the economic substance of transactions in addition to the actual cash flow overtime is another benefit obtainable from accounting on a historical cost basis (Ashford, 2011). It has however been criticized on its being unsuitable for making economic decisions and on the fact that its outdated cost figures reflect outdated market conditions and expectations (Poon, 2004). These disadvantages led to the introduction of Fair Value which as far as measurement of financial statement is concerned, is considered the most useful market characteristics as it is presumed to provide information that is relevant to decision making (Barth, 1994, Beatty et al. 1996, Heaton et al. 2009). Though Fair Value is used in over twenty (20) IASB standards, guidance on fair value application has over the years been inconsistent and not detailed. While some of the IASB standards that permit the use of fair value provided limited information on measurement of fair value, several others provided extensive guidance that were not always consistent (Prochazka, 2011) such that comparability of information reported in the financial statement was very difficult. As such, there was once again the need to have a single standard that provides a new definition of fair value and would serve as a primary source of guidance for all fair value measurements used in IFRS financial statement (Thorton, 2011).

IFRS 13 (Fair Value Measurement) was on 13th May, 2011 introduced and adopted (with the effective date being 1st January, 2013) by the US Financial Accounting Standard Board and International Accounting Standard Board. IFRS 13 therefore defines Fair Value as "the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date". This definition clarifies that: Fair value is an exit price; there is an orderly sale or transfer and that fair value is a market-based measurement and entity-specific concept (Dvorakova, n.d). In order to increase harmonization, consistency and comparability in Fair Value measurements and related disclosures which was one of the major reasons for the introduction and adoption of IFRS 13, IFRS 13 established a Fair Value Hierarchy that categorizes Fair Value into three (3) levels and manages the inputs to different valuation techniques (IFRS Foundation, IFRS 13) with level one (1) being the highest and level three (3) the lowest.

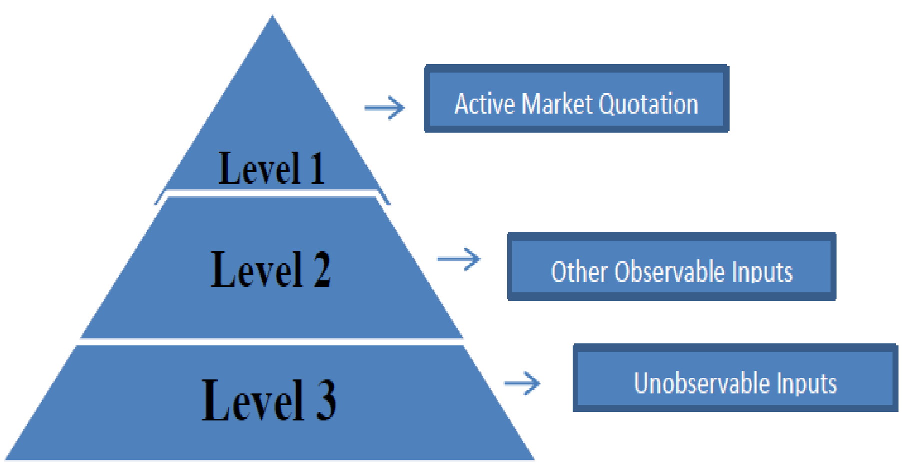

FIGURE 1
FAIR VALUE HIERARCHY

Level 1 which is the first level of the hierarchy uses active market prices at the measurement date for identical assets and liabilities; level 2 on the other hand examines other observable inputs not categorized as level 1 while level 3 places focus on the unobservable inputs. IFRS 13 increased disclosure requirement is focused on providing users of accounting information (particularly investors) with an improved understanding of the valuation techniques particularly on the inputs used in the development of fair value measurement. With this objective in mind, a question that comes to the mind is whether or not there has been any significant improvement on investment decisions since adopting IFRS 13

The question on whether or not there has been any significant improvement on investment decisions since adopting IFRS 13 has been a controversial issue as several arguments for or against the introduction of IFRS 13 has been put forward. The findings from a study conducted by Laux and Leuz (2009) on the main issues regarding the pros and cons of the fair value model revealed that IFRS 13 would aid investment decisions through its increased disclosure requirements it (IFRS 13) introduced. Evans (2003) in his study found out that: Fair Value Measurement causes distortion in the net income of a company by including unrealized holding gains and losses; Fair Values can be easily manipulated by managers; and historical cost model which has proven to be more understandable might be broken by fair value model. The conclusion drawn from these findings is that Fair Value Measurement has not improved investment decisions. The findings of another study conducted by Prochazka (2011) on IFRS 13 and investing decisions: A perception of Auditors and Academics, revealed majority of the respondents were of the opinion that IFRS 13 has significant influence on the investor's decision making with the influence depending on the type of company investors are investing in. Balls (2006) in his study also asserts that IFRS 13 increased disclosure requirements will enhance the quality of accounting information as a result of which the risk that comes with investment decisions would be significantly reduced as the increased disclosure requirement would provide sufficient information that will guide investors in decision making process.

Cheng, Lino and Zhang (2013) undertook a research on the effect of mandatory and voluntary disclosures on the financial statement. Findings of this study revealed that mandatory disclosure reduces market illiquidity and as such increases the credibility and reliability of financial report than voluntary disclosure. Also according to Newman and Sansing (1993), to avoid noisy disclosure of sensitive information, standard setters should increase mandatory regulation (Prochazka, 2011). Some opponents of Fair Value Accounting are of the opinion that financial statement prepared and presented based on fair value measurement heightened the financial crisis witnessed in highly placed organizations (Enron, Tyco, Adelphia, Worldcom etc) (Rappeport, 2008; Wallison, 2008; Wallison, 2009; Khan, 2010).

According to the International Federation of Accountants (2008), the subjective nature of Fair Value Measurement has made auditing more difficult for auditors compared to that which existed when historical cost was in use. Speaking from the academics perspective, Abdel-Khalik (2008) who embarked on a study on IFRS 13 opined that Fair Value Measurement brings about inconsistency of measurement of financial statement element. Going by this inconsistency in measurement bases used, users of accounting information are unable to make informed judgment. As such in his own opinion, IFRS 13 though should not be abandoned, but it does not really impact positively on investing decisions.

METHODOLOGY

The central aim of this study is to determine whether or not there is an association between IFRS 13 increased disclosure requirement and investing decisions of selected stakeholders. The stakeholders focused on for the purpose of this study are: Accounting practitioners (Professional Auditors) and Accounting academics with their geographical location being Lagos and Ogun State, Nigeria respectively. The choice restriction to these two states spans from issues with logistics and resources and also the fact that the headquarters of the "Big 4" audit firms in Nigeria is located in Lagos State. The respondents under the accounting practitioners (Professional auditors) category were the "Big Four" (Delloitte, KPMG, PricewaterCoopers & Enest and Young). This is because: they are representative of the accounting firms in Nigeria; they have clients spread across different sectors of the Nigerian economy thereby controlling the market and they have a functional audit department with highly skilled and well trained professional auditors (Ojeka, Kanu and Owolabi, 2013). Under the accounting academic category, respondents comprised accounting academics of all tertiary institutions in Ado-odo local government area of Ota, Ogun state with reason being that it (Ado-odo) is the only local government in Nigeria with the highest number of tertiary institutions.

The choice of accounting practitioners (auditors) is premised on the fact that this group has a working knowledge of the new standard in addition to having a good knowledge of the previous standards used. As such, this would permit obtaining knowledge of their perception of how the new IFRS 13 would affect investing decisions. Accounting academics on the other hand was selected as respondents because they have so far been following the trends in IFRS adoption and at one point or the other held, attended and participated in seminars, conferences and workshops on IFRS either as participants or to deliver lecture (Ojeka, Kanu & Owolabi, 2013; Ogundana, Uwuigbe, Jinadu, Adesanmi & Nwaze, 2016). To further buttress the reason for their selection, the subject of IFRS is currently being taught in both public and private universities in Nigeria today and as such, the study examined their theoretical perception of IFRS 13 and investing decision.

For the purpose of this study, the research design engaged is the survey research method with reason being that this type of research method focuses on obtaining subjective opinion of respondents and based on this opinion, draws an accurate assessment of the entire population by studying samples derived from the population usually in the form of questionnaire (Osuala, 2005). The primary data as a source of data was adopted in the course of this study and this source of data was obtained from the group of respondents through a properly constructed questionnaire that would be analysed and used to test the hypotheses formulated in this study. Using a five-point Likert scale, the questionnaire was partitioned into two sections, with the first section (section A) comprising questions that pertain to the formulated hypotheses while the second section (section B) comprised the personal information of the target respondents. Validity of the questionnaire, as recommended by Bryman and Bell (2007), was ascertained through its (questionnaire) review by experts both within and outside the field of accounting (Okafor & Ogiedu, 2011, Okpala, 2012).

The data collected was analysed with the use of both descriptive and inferential statistics. The Pearson product moment correlation was used to test hypothesis one (1) as this hypothesis tends to examine the association between IFRS 13 increased disclosure requirement (independent variable) and investing decisions (dependent variable). Independent sample t-test on the other hand is engaged to test hypothesis two (2) as the hypothesis seeks to determine whether there is a statistically significant difference in the means of two unrelated groups.

RESULTS

Table 1
QUESTIONNAIRE ADMINISTERED AND RETRIEVED

S/No	Respondents Categories	Total Distributed	Total Retrieved	% Total Retrieved	Total not Retrieved	% Total not Retrieved
1	External Auditors	30	29	96.67	01	03.33
2	Accounting Academics	30	25	83.33	05	16.67
	TOTAL	60	54	90.00	06	10.00

Source: Field Survey (2017)

Table 2
DEMOGRAPHIC CHARACTERISTICS OF RESPONDENTS

S/NO	Item	External Auditors	Accounting Academics	Total	%
1	Profession	29	25	54	100
	Total	29	25	54	100
2	Age:				
	18-25	03	04	7	
	26-30	17	03	20	13.0
	31-40	03	09	12	37.0
	41-50	06	09	15	22.2
	Total	29	25	54	100
3	Sex:				
	Male	16	16	32	69
	Female	13	09	22	31
	Total	29	25	54	100
4	Highest Academic Qualification				
	HND	0	02	02	3.7
	BSC	22	04	26	48.1
	MBA/MSC	07	09	16	29.1
	PhD	0	10	10	18.2
	Total	29	25	54	100
5	Professional Qualification				
	ANAN	03	00	03	5.6
	ICAN	15	18	33	61.1
	ACCA	11	07	18	33.3
	Total	29	25	54	100
6	Share:	47	95	142	100
	Yes	29	24	54	100
	No	0	0	0	
	Total	29	24	54	100
7	Years of Experience				
	1-5 years	10	03	13	24.07
	6-10 years	11	04	15	27.28
	11 years and above	08	18	16	29.63
	Total	29	25	54	100

Source: Field Survey (2017)

The Table 2 above gives a breakdown of the respondent's profile under different categories.

Hypotheses Testing

Two (2) hypotheses stated in their null form were for the purpose of this study formulated:

H_1. There is no association between IFRS 13 increased disclosure requirement and investing decision

H_2. There are no statistical significant differences in the standpoint of accounting academics and auditors on the impact of fair value accounting on investing decisions.

To test these two hypotheses, the Pearson product moment correlation technique and paired sample t-test were engaged and the results presented below.

Table 3
CORRELATION

		IFRS 13 helps to clarify the financial information in the financial statement	IFRS 13 increased disclosure requirement has increased the transparency of the financial statement
IFRS 13 helps to clarify the financial information in the financial statement	Pearson Correlation	1	0.513***
	Sig. (2-tailed)		0.000
	N	54	54
IFRS 13 increased disclosure requirement has increased the transparency of the financial statement	Pearson Correlation	0.513***	1
	Sig.(2-tailed)	0.000	
	N	54	54

**. Correlation is significant at the 0.01 level (2-tailed).
Source: Field Survey, (2017)

Table 3 above shows the correlation results of the association between IFRS 13 increased disclosure requirement and investing decision. The statistical results as shown in the table above indicate a strong positive relationship between IFRS 13 increased disclosure requirement (represented by clarity and transparency of financial statement) and investing decision (r=0.513; COD=1.2 percent). The above result shows that there is an association between IFRS 13 increased disclosure requirement and investing decision. Hence, the adoption of IFRS 13 in the preparation and presentation of financial statement should be encouraged amongst companies as this based on the findings above would help investors in making investment decision. This is because IFRS 13 increased disclosure enhances transparency and clarity of the financial statement.

Table 4
GROUP STATISTICS

	Status	N	Mean	Std. Deviation	Std. Error Mean
transformed data	Academia	25	522.3600	215.17684	43.03537
	Auditors	29	820.3448	582.07512	108.08864

Source: Field Survey (2017)

Decision

Based on the Pearson product correlation tables above, the null hypothesis which states that there is no association between IFRS 13 increased disclosure requirements and investing decision is rejected as the table 3 above shows a strong association between IFRS 13 increased disclosure requirements and investing decision of stakeholders. As such, we reject the null hypothesis and accept the alternate hypothesis, justifying that there is an association between IFRS 13 increased disclosure requirement and stakeholders investing decision.

Table 5
INDEPENDENT SAMPLES TEST

		Levene's Test for Equality of Variances		T-test for Equality of Means						
		F	Sig	T	Df	Sig	Mean Diff	Std Error Diff	95% Confidence Interval of Diff	
									Lower	Upper
Transformed data	Equal variances assumed	7.340	0.009	-2.42	52	0.019	-297.99	123.21	-545.21	-50.751
	Equal variances not assumed			-2.56	36.5	015	-297.98	116.34	-533.82	-62.149

Source: Field Survey (2017)

The t value is the estimated number of standard errors between the two means. The result of Levene's test for equality of variance test whether or not the variances of scores or results in the two groups are the same. Based on the table above, the Equal variance assumed was used in arriving at the result. This was as a result of having a significance value of 7.340 which is higher than the cut-off of 0.05. Using the Equal variance assumed, under the t-test for equality of means assumed, the significant value (2-tailed) used was 0.019 which is lower than the cut-off of 0.05. Hence, the alternate hypothesis was accepted while the null hypothesis was rejected. Based on the analysis above, the result shows that there are statistical significant differences in the standpoint of accounting academics and auditors regarding the impact IFRS 13 increased disclosure requirement have on investing decisions**.** A plausible reason for this significant difference in the standpoint of academics and auditors on the impact IFRS 13 has on investment decision lies in the fact that auditors argue that understanding financial statements of companies that have applied Fair Value Accounting in the preparation and presentation of financial statement is difficult. Some of these difficulties are traceable to issues of valuation techniques, absence of inactive markets amongst others. As such, they believe investors would find it difficult to use the financial statements in making investment decisions. On the other hand, accounting academics based on their extensive and wide theoretical knowledge and understanding of the principles, underlying assumptions, different valuation techniques applicable under Fair Value Accounting, presumes that with IFRS 13 increased disclosure requirement, decisions on investment is enhanced.

Decision

Based on the Pearson product correlation tables above, the null hypothesis which states that there are no significant differences in the mean of accounting academics and auditors is rejected as the table 5 above shows a mean difference of 297.99. As such, we reject the null hypothesis and accept the alternate hypothesis, justifying that there are differences in the mean of accounting academics and auditors.

DISCUSSION OF FINDINGS

The main aim of this study is to determine whether or not IFRS 13 increased disclosure requirement has improved investing decision. This study engaged two (2) objectives which are: to determine whether or not IFRS 13 increased disclosure requirement has any significant association with investing decision; and to investigate the significant differences in the standpoint of accounting practitioners (auditors) and accounting academics on the impact of IFRS 13 on Investing Decisions.

1. **Association between IFRS 13 increased disclosure requirement and investing decision.**

Hypothesis one states that "there is a significant association between IFRS 13 increased disclosure requirement and investing decision. To test this, Pearson Product Moment was engaged and as a result, the null hypothesis was rejected, while the alternate hypothesis which states that "there is an association between IFRS 13 and investing decision was accepted. This research work is consistent with the findings of Balls (2006), where it was revealed that there exists a significant association between IFRS 13 increased disclosure requirements and investing decision.

2. **Significant differences in the standpoint of accounting academics and accounting practitioner (auditors) on the impact of IFRS 13 on investing decisions.**

Hypothesis two states that there are significant differences in the standpoint of accounting practitioners and accounting academics on the impact of IFRS 13 on investing decisions. To test this hypothesis, the independent sample T-test was engaged. The result of this test indicates the acceptance of the alternate hypothesis. This empirical finding is consistent with the result of a research carried out by Yarnold and Ravlic (2014) where it was observed that although both auditors and accounting academics attested to the fact that IFRS 13 enhances investing decision yet, a major part of the auditors believed that there are no major changes in the financial report of companies even with the adoption of IFRS 13. The implication of this is that IFRS 13 does not singlehandly enhance investing decision of stakeholders s there are other factors that contributes to the enhancement of the financial statement.

CONCLUSION AND RECOMMENDATIONS

This research study examines the opinion of stakeholders with respect to whether or not increased disclosure requirement of IFRS 13 as one of the expected benefit of IFRS 13 will lead to more meaningful investment decisions. IFRS 13 provides an extensive disclosure framework replacing the previous fair value measurement guidelines previously dispersed throughout IFRS's. IFRS 13 is not aimed at providing new guidance regarding when fair value measurement are required. Rather, it is aimed at providing guidance to users of financial statement on the assessment of the valuation technique and such inputs used in fair value measurement. Theoretical and empirical findings have indeed shown that there exist a positive association between IFRS 13 increased disclosure requirement and investing decisions. With the introduction of IFRS 13 came increased disclosure requirement as it is believed that this will enhance transparency and aid investing decisions. This is because the financial statement will comprise all such information on measurement of assets and liabilities deemed necessary to help investors make decisions. Although findings from this study shows that majority of the respondents believe that IFRS 13 increased disclosure requirement will help increase investment decisions, yet auditors and accountants share different views on this as few of the auditors believe that there are no major changes in the financial statement prepared under IFRS 13. The implication of this being that some auditors' believes that IFRS 13 increased disclosure requirement does not totally enhance investing decisions.

Recommendations

Based on the findings of this study, the underlisted recommendations are made:

1. Adequate monitoring by the relevant accounting bodies (FRC) and Securities and Exchange Commission (SEC) should be put in place to ensure that all companies in Nigeria fully adopt IFRS 13.
2. All universities in Nigeria should be mandated to not only introduce the students to IFRS but also go beyond teaching it on the surface as most students are only told the meaning of these IAS's/IFRS's but are not indeptly taught as to what these standards entails.
3. SEC and FRC should ensure that company's financial statement that is not prepared in full compliance with IFRS 13 should not be published.

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